



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

UP 317

February 17, 2015

RECEIVED

FEB 19 2015

via E-Filing and US Mail
puc.filingcenter@state.or.us

PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION

Public Utility Commission of Oregon
3930 Fairview Industrial Drive SE
PO Box 1088
Salem, OR 97308-1088

HARD COPY OF ELECTRONIC
DOCUMENT(S) RECEIVED

2/17/15

Attention: **Commission Filing Center**

Re: UP-317 Application for Approval of the Sale of PGE Property in the City of Portland

Enclosed are the original signed Application and five copies requesting approval to sell property in the City of Portland, Multnomah County, Oregon to John Randolph Haber. PGE has E-filed a copy on this date.

We ask that this Application be placed on the docket for consideration at the Commission's public meeting on the March 24, 2015, or as soon thereafter as possible.

If you have any questions or require further information, please call me at (503) 464-7580 or Launa Harmon at (503) 464-7251. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

Patrick G. Hager
Manager, Regulatory Affairs

PGH/sp
Encls.

DOCKETED

BEFORE THE PUBLIC UTILITY COMMISSION

HARD COPY OF ELECTRONIC
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OF OREGON

UP-317

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FEB 19 2015

PUBLIC UTILITY COMMISSION OF OREGON
ADMINISTRATIVE HEARINGS DIVISION

In the Matter of the Application of)
PORTLAND GENERAL ELECTRIC COMPANY) APPLICATION
in Regard to the Sale of its Property)

Pursuant to ORS 757.480 and OAR 860-027-0025, Portland General Electric Company ("PGE") seeks approval from the Oregon Public Utility Commission ("Commission") for the sale of certain PGE Property no longer useful or necessary for providing utility service to the public.

Background

PGE owns Property located in the City of Portland, County of Multnomah, Oregon, at 3231 SE Yamhill, specifically Multnomah County Parcel 1S-1E, Section 1BA, Tax Lot 4600, aka Parcel R280577 (the "Property"). The Property is improved with a 1,455 square foot single family residence built in 1902 in the vicinity of the Alder Substation. PGE requests Commission approval to sell the Property to Jon Randolph Haber ("Buyer").

PGE purchased the Property in 1977 for the future expansion of the Alder Substation located directly to the north. Between 2010 and 2011, PGE rebuilt the substation using improved technology, which required substantially less space. Consequently, the Property is no longer needed for utility purposes.

PGE decided to market the Property this year to take advantage of the improving residential real estate market and financing options for prospective purchasers in the Portland Metropolitan area.

PGE purchased the Property at an original Book cost of \$29,019.17, and have since invested \$2,644 in improvements to the Property. PGE recorded the land and building as a lump sum amount on its books in FERC account 360, Land and Land Rights. There was no allocation of the book-cost

between land and building accounts because PGE expected at that time to demolish the building in order to expand the substation site. PGE assigned all the value to the land. Land is not depreciated for Book or Tax purposes. However, the building was not demolished as originally contemplated.

For valuation purposes, an independent appraiser (MAI) performed an exterior inspection of the Property and researched general market conditions (see Exhibit I-3). The appraised value was \$300,000. The Buyer responded to a solicitation for offers conducted by PGE. The Buyer's offer was accepted by PGE around January 12, 2015. (See Exhibits I-1, Residential Real Estate Agreement And Addendum, and I-2, Second Addendum To Purchase And Sale Agreement And Receipt for Earnest Money dated January 6, 2015 ("Second Addendum"))

The Buyer advanced earnest money in the sum of \$3,000, will pay the balance of the down payment in the amount of \$63,000 at or before closing, and will pay the balance of the purchase price in the amount of \$264,000 at closing and upon delivery of Deed. The Buyer has satisfied or waived all of his conditions precedent to the closing of the transaction, including those regarding the condition of the Property (after completing his due diligence) and those regarding the Buyer and the Property qualifying for financing. (See Exhibit 1-2, Second Addendum). Closing of the sale is contingent upon PGE obtaining Commission approval.

PGE provides sale expense detail through Exhibit J attached.

Expenses	Expense Description
3,000	Appraisal Fee
600	Escrow
19,800	Realtor Commission (6%)
50	Recording Fee
\$23,450	Total Expenses

For accounting purposes, PGE will defer a gain on the sale of the Property in the sum of \$272,242. PGE has agreed to adhere to Staff's desired treatment of gain/losses on the sale of land for purposes of this sale of the Property.

I. Required Information under OAR 860-027-0025(1)

Pursuant to the requirements of OAR 860-027-0025, PGE represents as follows:

(a) *The exact name and address of the utility's principal business office:* Portland General Electric Company, 121 SW Salmon Street, Portland, Oregon 97204.

(b) *The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility operations:* PGE is a corporation organized and existing under and by the laws of the State of Oregon. The date of its incorporation is July 25, 1930. PGE is authorized to transact business in the states of Oregon, California, Idaho, Montana, Utah, Washington and as of February 21, 1995, is also registered as an extra-provincial corporation in Alberta, Canada, but conducts retail utility operations only in the state of Oregon.

(c) *Name and address of the person on behalf of applicant authorized to receive notices and communications in respect to the applications:*

PGE-OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, OR 97204
(503) 464-7857 (telephone)
(503) 464-7651 (fax)
pge.opuc.filings@pgn.com

Loretta Mabinton
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC-1301
Portland, OR 97204
(503) 464-7822 (telephone)
(503) 464-2200 (fax)
loretta.mabinton@pgn.com

In addition, the names and addresses to receive notices and communications via the e-mail service list are:

Launa B. Harmon, Specialist
E-Mail: launa.harmon@pgn.com

(d) *The names, titles, and addresses of the principal officers:*

As of December 31, 2014, the following are the principal officers of PGE, and their titles, and they are each located at PGE's primary business offices located at 121 SW Salmon Street, Portland, Oregon 97204:

<u>Name</u>	<u>Title</u>
James J. Piro	President and Chief Executive Officer
James F. Lobdell	Senior Vice President, Finance, CFO & Treasurer
William O. Nicholson	Senior Vice President, Customer Service, Transmission and Distribution
Maria M. Pope	Senior Vice President, Power Supply & Operations, And Resource Strategy
Arleen N. Barnett	Vice President Human Resources, Diversity & Inclusion, and Administration
Larry N. Bekkedahl	Vice President, Transmission & Distribution Services
Carol A. Dillin	Vice President, Customer Strategies and Business Development
J. Jeffrey Dudley	Vice President, General Counsel, Corporate Compliance Officer and Assistant Corporate Secretary
Campbell A. Henderson	Vice President, Information Technology, and Chief Information Officer
Stephen M. Quennoz	Vice President, Nuclear and Power Supply/Generation
W. David Robertson	Vice President, Public Policy
Kristin A. Stathis	Vice President, Customer Service Operations
Kirk M. Stevens	Controller and Assistant Treasurer
Brett C. Greene	Assistant Treasurer
Marc S. Bocci	Corporate Secretary
Cheryl Chevis	Assistant Corporate Secretary
Nora Arkonovich	Assistant Corporate Secretary
Karen J. Lewis	Assistant Corporate Secretary

(e) *A description of the general character of the business done and to be done, and a designation of the territories served, by counties and states:* PGE is engaged, and intends to remain engaged, in the generation, purchase, transmission, distribution, and sale of electric energy for public use in Clackamas, Columbia, Hood River, Jefferson, Marion, Morrow, Multnomah, Polk, Washington, and Yamhill counties, Oregon.

(f) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund:* The following represents PGE's stock as of September 30, 2014, the date of PGE's reporting in the most recent (10-Q):

	<u>Outstanding Shares</u>	<u>Amount (\$000s)</u>
Common Stock: *		
No Par Value	78,209,428	\$915,598
(160,000,000 shares authorized)		

* Company Directors hold 179,561 shares.

None of the outstanding shares of common stock referenced above are held as reacquired securities or pledged by PGE. Vanguard Group, Inc. held 6.94% of the outstanding PGE common stock and Black Rock Fund Advisors held 5.18% as reported in the most recent Forms 13F filed with the Securities and Exchange Commission. PGE cannot determine from the Forms 13F whether either entity qualifies as an affiliate. PGE reports major shareholder activity annually to the Commission pursuant to OAR 860-027-0175 (AR-544).

(g) *A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity);*

amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds: The long-term debt as of September 30, 2014 is as follows from Exhibit E:

Description	Authorized (\$000s)	Outstanding (\$000s)
First Mortgage Bonds:		
6.26% series due 5-1-2031	100,000	100,000
6.31% series due 5-1-2036	175,000	175,000
4.74% series due 2043	75,000	75,000
MTN series due 8-11-2021 9.31%	20,000	20,000
6.75% series VI due 8-1-2023	50,000	50,000
6.875% series VI due 8-1-2033	50,000	50,000
5.80% series due 6-1-2039	170,000	170,000
5.81% series due 10-1-2037	130,000	130,000
5.80% series due 3-1-2018	75,000	75,000
6.80% series due 1-15-2016	67,000	67,000
3.46% series due 1-15-2015	70,000	70,000
3.81% series due 6-15-17	58,000	58,000
4.47% series due 6-15-44	150,000	150,000
4.74% series due 2042	105,000	105,000
4.84% series due 2048	50,000	50,000
6.10% series due 4-15-2019	300,000	300,000
5.43% series due 5-03-2040	150,000	150,000
4.39% series due 2045	<u>100,000</u>	<u>100,000</u>
Total First Mortgage Bonds	<u>1,895,000</u>	<u>1,895,000</u>
Pollution Control Bonds:		
City of Forsyth, MT		
5.45% series B 5-1-2033 ⁽¹⁾	21,000	21,000
Series A 5-1-2033, remarketed 3-11-10 at 5% Port of Morrow, OR	97,800	97,800
Series A 5-1-2033, remarketed 3-11-10 at 5% Revenue Bonds Series 1996 ⁽²⁾	23,600	23,600
	5,800	5,800
⁽¹⁾ This debt instrument, purchased by the Company on May 1, 2009, is currently held for possible remarketing	(21,000)	(21,000)
⁽²⁾ This debt instrument, purchased by the Company in 2008, is currently held for possible remarketing	<u>(5,800)</u>	<u>(5,800)</u>
Total Pollution Control Bonds outstanding	<u>121,400</u>	<u>121,400</u>
Other Long Term Debt:		
Term Loans		
May 12, 2014, due October 30, 2015	75,000	75,000
June 2, 2014, due October 30, 2015	75,000	75,000
June 30, 2014, due October 30, 2015	75,000	75,000

Description	Authorized (\$000s)	Outstanding (\$000s)
July 21, 2014, due October 30, 2015	80,000	80,000
Long-Term Contracts	93	93
Unamortized Debt Discount and Other	(728)	(728)
Total Other Long-Term Debt	<u>304,365</u>	<u>304,365</u>
Total Long-Term Debt	<u>2,320,765</u>	<u>2,320,765</u>
Total Classified as Short-Term	-	-
Net Long Term Debt	<u>2,320,765</u>	<u>2,320,765</u>

None of the long-term debt is pledged or held as reacquired securities, by affiliated interests, or in any fund, except as noted above.

(h) *Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its Property, or for the acquisition of stock, bonds, or Property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof:* This application requests approval for PGE to sell a residential Property in the City of Portland. For valuation purposes, an independent appraiser (MAI) inspected the Property and researched general market conditions. The appraisal yielded an estimated value of the Property at \$300,000. PGE has agreed to sell the Property at the Buyer's offer of \$330,000. The book value of the Property was estimated using PGE's accounting records.

(i) *A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition. State whether the proposed disposition of facilities or plan for consolidation, merger, or acquisition includes all the operating facilities of the parties to the transaction:* The Property is located in the County of Multnomah, Oregon, at 3231 SE Yamhill, a single family residence, specifically Multnomah County Parcel 1S-1E, Section 1BA, Tax

Lot 4600, aka Parcel R280577 and Sunnyside & Plat 2 & 3, Lot 9, Block 23. The Property is no longer needed for utility purposes. The sale of the Property does not include all of the operating facilities of PGE.

(j) *A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of Property of another utility. If original cost is not known, an estimate of original cost based, to the extent possible, upon records or data of the applicant or its predecessors must be furnished, a full explanation of the manner in which such estimate has been made, and a statement indicating where all existing data and records may be found:* The book value of the Property or transaction was determined using PGE's accounting records. The original cost of the Property was \$29,019.17, purchased in 1977. Subsequent to the purchase, PGE made site improvements to the Property, including water service, roofing and gutters. A statement by primary account of the cost of the Property is included in Exhibit L.

(k) *A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body:* No application with respect to this transaction is required to be filed with any federal or other state regulatory body.

(l) *The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of Property, or acquisition of stock, bonds, or Property of another utility will be consistent with the public interest:* The sale of the Property is consistent with the public interest because the Property is now surplus to PGE's needs and not necessary for performing PGE's duty to the public.

(m) *The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or*
Application of Portland General Electric

encumbrance of Property, acquisition of stock, bonds, or Property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public: See the Background Section and paragraphs (h) and (l) above. Furthermore, customers will benefit from the deferral of the gain, with the gain to be refunded in the future.

(n) *The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired:* Not applicable.

(o) *A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer/sale, that transferee has the necessary franchises:* Not applicable.

II. Required Exhibits under OAR 860-027-0025(2)

The following exhibits are submitted and by reference made a part of this application:

EXHIBIT A. *A copy of the charter or articles of incorporation with amendments to date:* Third Amended and Restated Articles of Incorporation, effective on May 7, 2014 and previously filed in Docket UP-310 and by reference made a part of this application.

EXHIBIT B. *A copy of the bylaws with amendments to date:* Tenth Amended and Restated Bylaws dated May 7, 2014 and previously filed in Docket UP-310 and by reference made a part of this application.

EXHIBIT C. *Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of Property, acquisition of stock, bonds, or Property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished:* Not applicable (no such resolutions were required for the sale of the Property).

EXHIBIT D. *Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction:* None.

EXHIBIT E. *Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission:* Balance Sheet showing booked amounts, adjustments to record the proposed transactions and pro forma Balance sheets as of September 30, 2014 are attached. [electronic format]

EXHIBIT F. *A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of September 30, 2014:* Attached. [electronic format]

EXHIBIT G. *Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission, as of September 30, 2014:* Attached. [electronic format]

EXHIBIT H. *An analysis of surplus for the period covered by the income statements referred to in Exhibit G, as of September 30, 2014:* Attached. [electronic format]

EXHIBIT I. *A copy of each contract in respect to the sale, lease or other proposed disposition, merger or consolidation of facilities, acquisition of stock, bonds, or Property of another utility, as the case may be, with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction pertaining thereto:* Attached. Exhibit I-1, Residential Real Estate Sale Agreement and Addendum; I-2, a Second Addendum To Purchase And Sale Agreement And Receipt For Earnest Money, along with Exhibit I-3 the MAI appraisal. [electronic format]

***EXHIBIT J.** A copy of each proposed journal entry to be used to record the transaction upon each applicant's books: Attached. [electronic format]*

***EXHIBIT K.** A copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts as required by subsection (1)(l) of this rule and the reasons as required by subsection (1)(m) of this rule: Attached. PGE relies upon Attachment K-1, this Application and all other documentation attached to provide support as required by OAR 860-027-0025(1)(l) and (1)(m). [electronic format]*

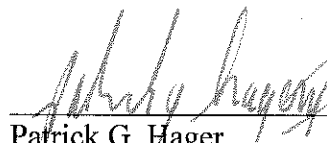
***EXHIBIT L.** Statement by primary account of the cost of the Property. Attached. [electronic format]*

III. Prayer for Relief

PGE respectfully request a Commission order finding the sale of the Property to Buyer will not harm PGE customers and is consistent with the public interest.

Dated: February 17, 2015.

Respectfully Submitted,



Patrick G. Hager,
Manager, Regulatory Affairs
On Behalf of Portland General Electric Company
121 SW Salmon Street, 1WTC-0702
Portland, Oregon 97204
Phone: (503) 464-7580
E-Mail: patrick.hager@pgn.com
Facsimile: (503) 464-7651

Portland General Electric Company and Subsidiaries
Consolidated Balance Sheet
September 30, 2014
(In Millions)

	September 30, 2014	Adjustments ⁽¹⁾	Adjusted Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 97	0.27	\$ 97
Accounts receivable, net	156		156
Unbilled revenues	73		73
Inventories	84		84
Regulatory assets - current	56		56
Other current assets	76		76
Total current assets	542	0.27	542
Electric utility plant	7,277		7,277
Construction work in progress	1,141		1,141
Total cost	8,418		8,418
Less: accumulated depreciation and amortization	(2,865)		(2,865)
Electric utility plant, net	5,553		5,553
Regulatory assets - noncurrent	396		396
Nuclear decommissioning trust	89		89
Non-qualified benefit plan trust	33		33
Other noncurrent assets	44		44
Total assets	\$ 6,657	0.27	\$ 6,657
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable	\$ 157		\$ 157
Liabilities from price risk management activities - current	44		44
Current portion of long-term debt	70		70
Accrued expenses and other current liabilities	211		211
Total current liabilities	482	-	482
Long-term debt, net of current portion	2,251		2,251
Regulatory liabilities - noncurrent	940	0.27	940
Deferred income taxes	626		626
Unfunded status of pension and postretirement plans	163		163
Asset retirement obligations	107		107
Non-qualified benefit plan liabilities	101		101
Liabilities from price risk management activities - noncurrent	78		78
Other noncurrent liabilities	20		20
Total liabilities	\$ 4,768	0.27	\$ 4,768
Commitments and contingencies (see notes)	-		-
Equity			
Portland General Electric Company shareholders' equity			
Preferred stock	-		-
Common stock	916		916
Accumulated other comprehensive loss	(5)		(5)
Retained earnings	978		978
Total Portland General Electric Company shareholders' equity	1,889	-	1,889
Noncontrolling interests' equity	-		-
Total Equity	1,889	-	1,889
Total liabilities and equity	\$ 6,657	0.27	\$ 6,657

(1) Reflects journal entries in Exhibit "J"

Exhibit "F"
Statement of Contingent Liabilities
As of September 30, 2014

PGE is subject to legal, regulatory, and environmental proceedings, investigations, and claims that arise from time to time in the ordinary course of its business. Contingencies are evaluated using the best information available at the time the consolidated financial statements are prepared. Legal costs incurred in connection with loss contingencies are expensed as incurred. The Company may seek regulatory recovery of certain costs that are incurred in connection with such matters, although there can be no assurance that such recovery would be granted.

Loss contingencies are accrued, and disclosed if material, when it is probable that an asset has been impaired or a liability incurred as of the financial statement date and the amount of the loss can be reasonably estimated. If a reasonable estimate of probable loss cannot be determined, a range of loss may be established, in which case the minimum amount in the range is accrued, unless some other amount within the range appears to be a better estimate.

A loss contingency will also be disclosed when it is reasonably possible that an asset has been impaired or a liability incurred if the estimate or range of potential loss is material. If a probable or reasonably possible loss cannot be reasonably estimated, then the Company: i) discloses an estimate of such loss or the range of such loss, if the Company is able to determine such an estimate; or ii) discloses that an estimate cannot be made and the reasons.

If an asset has been impaired or a liability incurred after the financial statement date, but prior to the issuance of the financial statements, the loss contingency is disclosed, if material, and the amount of any estimated loss is recorded in the subsequent reporting period.

The Company evaluates, on a quarterly basis, developments in such matters that could affect the amount of any accrual, as well as the likelihood of developments that would make a loss contingency both probable and reasonably estimable. The assessment as to whether a loss is probable or reasonably possible, and as to whether such loss or a range of such loss is estimable, often involves a series of complex judgments about future events. Management is often unable to estimate a reasonably possible loss, or a range of loss, particularly in cases in which: i) the damages sought are indeterminate or the basis for the damages claimed is not clear; ii) the proceedings are in the early stages; iii) discovery is not complete; iv) the matters involve novel or unsettled legal theories; v) there are significant facts in dispute; vi) there are a large number of parties (including where it is uncertain how liability, if any, will be shared among multiple defendants); or vii) there are a wide range of potential outcomes. In such cases, there is considerable uncertainty regarding the timing or ultimate resolution, including any possible loss, fine, penalty, or business impact.

Trojan Investment Recovery

Regulatory Proceedings. In 1993, PGE closed the Trojan nuclear power plant (Trojan) and sought full recovery of, and a rate of return on, its Trojan costs in a general rate case filing with the OPUC. In 1995, the OPUC issued a general rate order that granted the Company recovery of, and a rate of return on, 87% of its remaining investment in Trojan.

Numerous challenges and appeals were subsequently filed in various state courts on the issue of the OPUC's authority under Oregon law to grant recovery of, and a return on, the Trojan investment. In 1998, the Oregon Court of Appeals upheld the OPUC's order authorizing PGE's recovery of the Trojan investment, but held that the OPUC did not have the authority to allow the Company to recover a return on the Trojan investment and remanded the case to the OPUC for reconsideration.

In 2000, PGE entered into agreements to settle the litigation related to recovery of, and return on, its investment in Trojan. The settlement, which was approved by the OPUC, allowed PGE to remove from its balance sheet the remaining investment in Trojan as of September 30, 2000, along with several largely offsetting regulatory liabilities. After offsetting the investment in Trojan with these liabilities, the remaining Trojan regulatory asset balance of approximately \$5 million (after tax) was expensed. As a result of the settlement, PGE's investment in Trojan was no longer included in prices charged to customers, either through a return of or a return on that investment. The Utility Reform Project (URP) did not participate in the settlement and filed a complaint with the OPUC challenging the settlement agreements. In 2002, the OPUC issued an order (2002 Order) denying all of the URP's challenges. In 2007, following several appeals by various parties, the Oregon Court of Appeals issued an opinion that remanded the 2002 Order to the OPUC for reconsideration.

The OPUC then issued an order in 2008 (2008 Order) that required PGE to provide refunds, including interest from September 30, 2000, to customers who received service from the Company during the period from October 1, 2000 to September 30, 2001. The Company recorded a charge of \$33.1 million in 2008 related to the refund and accrued additional interest expense on the liability until refunds to customers were completed in the first quarter of 2010. The URP and the plaintiffs in the class actions described below separately appealed the 2008 Order to the Oregon Court of Appeals.

On February 6, 2013, the Oregon Court of Appeals issued an opinion that upheld the 2008 Order. On May 31, 2013, the Court of Appeals denied the appellants' request for reconsideration of the decision. On October 18, 2013, the Oregon Supreme Court granted plaintiffs' petition seeking review of the February 6, 2013 Oregon Court of Appeals decision.

On October 2, 2014, the Oregon Supreme Court, in a unanimous decision, affirmed the February 6, 2013 Oregon Court of Appeals decision that upheld the OPUC's 2008 Order.

Class Actions. In two separate legal proceedings, lawsuits were filed in Marion County Circuit Court against PGE in 2003 on behalf of two classes of electric service customers. The class action lawsuits seek damages

totaling \$260 million, plus interest, as a result of the Company's inclusion, in prices charged to customers, of a return on its investment in Trojan.

In 2006, the Oregon Supreme Court issued a ruling ordering the abatement of the class action proceedings until the OPUC responded to the 2002 Order (described above). The Oregon Supreme Court concluded that the OPUC has primary jurisdiction to determine what, if any, remedy can be offered to PGE customers, through price reductions or refunds, for any amount of return on the Trojan investment that the Company collected in prices.

The Oregon Supreme Court further stated that if the OPUC determined that it can provide a remedy to PGE's customers, then the class action proceedings may become moot in whole or in part. The Oregon Supreme Court added that, if the OPUC determined that it cannot provide a remedy, the court system may have a role to play. The Oregon Supreme Court also ruled that the plaintiffs retain the right to return to the Marion County Circuit Court for disposition of whatever issues remain unresolved from the remanded OPUC proceedings. The Marion County Circuit Court subsequently abated the class actions in response to the ruling of the Oregon Supreme Court.

The October 2, 2014 Oregon Supreme Court decision described above expressly noted that the plaintiffs in the class action must address any request to lift the abatement with the Marion County Circuit Court. PGE is evaluating how to proceed with respect to the class actions.

Because the class actions remain pending, management believes that it is reasonably possible that a loss to the Company in excess of the amounts previously recorded and discussed above could result. As these matters involve unsettled legal theories and have a broad range of potential outcomes, sufficient information is currently not available to determine PGE's potential liability, if any, or to estimate a range of potential loss.

Pacific Northwest Refund Proceeding

In 2001, the FERC called for a hearing to explore whether there may have been unjust and unreasonable charges for spot market sales of electricity in the Pacific Northwest from December 25, 2000 through June 20, 2001 (Pacific Northwest Refund proceeding). During that period, PGE both sold and purchased electricity in the Pacific Northwest. In 2003, the FERC issued an order terminating the proceeding and denying the claims for refunds. Upon appeal of the decision to the U.S. Ninth Circuit Court of Appeals (Ninth Circuit) the Court remanded the case to the FERC to, among other things, address market manipulation evidence in detail and account for the evidence in any future orders regarding the award or denial of refunds in the proceedings.

In October 2011, the FERC issued an Order on Remand, establishing an evidentiary hearing to determine whether any seller had engaged in unlawful market activity in the Pacific Northwest spot markets during the December 25, 2000 through June 20, 2001 period by violating specific contracts or tariffs, and, if so, whether a direct connection existed between the alleged unlawful conduct and the rate charged under the applicable

contract. The FERC held that the *Mobile-Sierra* public interest standard governs challenges to the bilateral contracts at issue in this proceeding, and the strong presumption under *Mobile-Sierra* that the rates charged under each contract are just and reasonable would have to be specifically overcome before a refund could be ordered. The FERC directed the presiding judge, if necessary, to determine a refund methodology and to calculate refunds, but held that a market-wide remedy was not appropriate, given the bilateral contract nature of the Pacific Northwest spot markets.

In December 2012, the FERC issued an order clarifying that the *Mobile-Sierra* presumption could be overcome either by: i) a showing that a respondent had violated a contract or tariff and that the violation had a direct connection to the rate charged under the applicable contract; or ii) a showing that the contract rate at issue imposed an excessive burden or seriously harmed the public interest.

On April 5, 2013, the FERC granted rehearing of its Order on Remand on the issue of the appropriate refund period, holding that parties could pursue refunds for transactions between January 1, 2000 and December 24, 2000 under Section 309 of the Federal Power Act by showing violations of a filed tariff or rate schedule or of a statutory requirement. Refund claimants have filed petitions for appeal of the Order on Remand and the Order on Rehearing with the Ninth Circuit.

In its October 2011 Order on Remand, the FERC ordered settlement discussions to be convened before a FERC settlement judge. Pursuant to the settlement proceedings, the Company received notice of two claims and reached agreements to settle both claims for an immaterial amount. The FERC approved both settlements during 2012.

Additionally, the settlement between PGE and certain other parties in the California refund case in Docket No. EL00-95, et seq., approved by the FERC in May 2007, resolved all claims between PGE and the California parties named in the settlement, including the California Energy Resource Scheduling division of the California Department of Water Resources (CERS), as to transactions in the Pacific Northwest during the settlement period, January 1, 2000 through June 20, 2001, but did not settle potential claims from other market participants relating to transactions in the Pacific Northwest.

The above-referenced settlements resulted in a release for the Company as a named respondent in the first phase of the remand proceedings, which are limited to initial and direct claims for refunds, but there remains a possibility that additional claims related to this matter could be asserted against the Company in a subsequent phase of the proceeding if refunds are ordered against some or all of the current respondents.

During the first phase of the remand hearing, now completed, two sets of refund proponents, the City of Seattle, Washington (Seattle) and various California parties on behalf of CERS, presented cases alleging that multiple respondents had engaged in unlawful activities and caused severe financial harm that justified the imposition of refunds. After conclusion of the hearing, the presiding Administrative Law Judge issued an Initial Decision on March 28, 2014 finding: i) that Seattle did not carry its *Mobile-Sierra* burden with respect to its refund claims against any of its respondent sellers; and ii) that the California representatives of CERS did not carry their *Mobile-Sierra* burden with respect to one of CERS' respondents, but did find evidence of

unlawful activity in the implementation of multiple transactions and bad faith in the formation of as many as 119 contracts by the last remaining CERS respondent. The Administrative Law Judge scheduled a second phase of the hearing to commence after a final FERC decision on the Initial Decision. In the second phase, the last respondent will have an opportunity to produce additional evidence as to why its transactions should be considered legitimate and why refunds should not be ordered. If the FERC requires one or more respondents to make refunds, it is possible that such respondent(s) will attempt to recover similar refunds from their suppliers, including the Company.

Management believes that this matter could result in a loss to the Company in future proceedings. However, management cannot predict whether the FERC will order refunds from any of the current respondents, which contracts would be subject to refunds, the basis on which refunds would be ordered, or how such refunds, if any, would be calculated. Further, management cannot predict whether any current respondents, if ordered to make refunds, will pursue additional refund claims against their suppliers, and, if so, what the basis or amounts of such potential refund claims against the Company would be. Due to these uncertainties, sufficient information is currently not available to determine PGE's liability, if any, or to estimate a range of reasonably possible loss.

EPA Investigation of Portland Harbor

A 1997 investigation by the United States Environmental Protection Agency (EPA) of a segment of the Willamette River known as Portland Harbor revealed significant contamination of river sediments. The EPA subsequently included Portland Harbor on the National Priority List pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as a federal Superfund site and listed 69 Potentially Responsible Parties (PRPs). PGE was included among the PRPs as it has historically owned or operated property near the river. In January 2008, the EPA requested information from various parties, including PGE, concerning additional properties in or near the original segment of the river under investigation as well as several miles beyond. Subsequently, the EPA has listed additional PRPs, which now number over one hundred.

The Portland Harbor site is currently undergoing a remedial investigation (RI) and feasibility study (FS) pursuant to an Administrative Order on Consent (AOC) between the EPA and several PRPs known as the Lower Willamette Group (LWG), which does not include PGE.

In March 2012, the LWG submitted a draft FS to the EPA for review and approval. The draft FS, along with the RI, provide the framework for the EPA to determine a clean-up remedy for Portland Harbor that will be documented in a Record of Decision, which the EPA is not expected to issue before 2017.

The draft FS evaluates several alternative clean-up approaches. These approaches would take from two to 28 years with costs ranging from \$169 million to \$1.8 billion, depending on the selected remedial action levels and the choice of remedy. The draft FS does not address responsibility for the costs of clean-up, allocate such costs among PRPs, or define precise boundaries for the clean-up. Responsibility for funding and implementing the EPA's selected clean-up will be determined after the issuance of the Record of Decision.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties discussed above, sufficient information is currently not available to determine PGE's liability for the cost of any required investigation or remediation of the Portland Harbor site or to estimate a range of potential loss.

DEQ Investigation of Downtown Reach

The Oregon Department of Environmental Quality (DEQ) has executed a memorandum of understanding with the EPA to administer and enforce clean-up activities for portions of the Willamette River that are upriver from the Portland Harbor Superfund site (the Downtown Reach). In January 2010, the DEQ issued an order requiring PGE to perform an investigation of certain portions of the Downtown Reach. PGE completed this investigation in December 2011 and entered into a consent order with the DEQ in July 2012 to conduct a feasibility study of alternatives for remedial action for the portions of the Downtown Reach that were included within the scope of PGE's investigation. The draft feasibility study report, which describes possible remediation alternatives that range in estimated cost from \$3 million to \$8 million, was submitted to the DEQ in February 2014. Following the DEQ's evaluation of the draft feasibility study, PGE submitted a final feasibility study to the DEQ in September 2014. The estimated costs in the final feasibility study did not differ significantly from those in the draft feasibility study. Using the Company's best estimate of the probable cost for the remediation effort from the set of alternatives provided in the feasibility study report, PGE has a \$3 million reserve for this matter as of September 30, 2014.

Based on the available evidence of previous rate recovery of incurred environmental remediation costs for PGE, as well as for other utilities operating within the same jurisdiction, the Company has concluded that the estimated cost of \$3 million to remediate the Downtown Reach is probable of recovery. As a result, the Company also has a regulatory asset of \$3 million for future recovery in prices as of September 30, 2014. The Company included recovery of the regulatory asset in its 2015 General Rate Case filed with the OPUC in February 2014. The Company has entered into a stipulation in the 2015 GRC, which is subject to OPUC approval, that includes revenues to offset the amortization of the regulatory asset over a two year period beginning January 1, 2015.

Alleged Violation of Environmental Regulations at Colstrip

On July 30, 2012, PGE received a Notice of Intent to Sue (Notice) for violations of the Clean Air Act (CAA) at Colstrip Steam Electric Station (CSES) from counsel on behalf of the Sierra Club and the Montana Environmental Information Center (MEIC). The Notice was also addressed to the other CSES co-owners, including PPL Montana, LLC, the operator of CSES. PGE has a 20% ownership interest in Units 3 and 4 of CSES. The Notice alleges certain violations of the CAA, including New Source Review, Title V, and opacity requirements, and states that the Sierra Club and MEIC will: i) request a United States District Court to impose injunctive relief and civil penalties; ii) require a beneficial environmental project in the areas affected by the alleged air pollution; and iii) seek reimbursement of Sierra Club's and MEIC's costs of litigation and attorney's fees.

The Sierra Club and MEIC asserted that the CSES owners violated the Title V air quality operating permit during portions of 2008 and 2009 and that the owners have violated the CAA by failing to timely submit a complete air quality operating permit application to the Montana Department of Environmental Quality (MDEQ). The Sierra Club and MEIC also asserted violations of opacity provisions of the CAA.

On March 6, 2013, the Sierra Club and MEIC sued the CSES co-owners, including PGE, for these and additional alleged violations of various environmental related regulations. The plaintiffs are seeking relief that includes an injunction preventing the co-owners from operating CSES except in accordance with the CAA, the Montana State Implementation Plan, and the plant's federally enforceable air quality permits. In addition, plaintiffs are seeking civil penalties against the co-owners including \$32,500 per day for each violation occurring through January 12, 2009, and \$37,500 per day for each violation occurring thereafter.

On May 3, 2013, the defendants filed a motion to dismiss 36 of 39 claims alleged in the complaint. In September 2013, the plaintiffs filed a motion for partial summary judgment regarding the appropriate method of calculating emission increases. Also in September 2013, the plaintiffs filed an amended complaint that withdrew Title V and opacity claims, added claims associated with two 2011 projects, and expanded the scope of certain claims to encompass approximately forty additional projects. In July 2014, the court denied both the defendants' motion to dismiss and the plaintiffs' motion for partial summary judgment.

On August 27, 2014, the plaintiffs filed a second amended complaint to which the defendants' response was filed September 26, 2014. The second amended complaint continues to seek injunctive relief, declaratory relief, and civil penalties for alleged violations of the federal Clean Air Act. The plaintiffs state in the second amended complaint that it was filed, in part, to comply with the court's ruling on the defendants' motion to dismiss and plaintiffs' motion for partial summary judgment. Discovery in this matter is ongoing with trial now scheduled for August 2015.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

Challenge to AOC Related to Colstrip Wastewater Facilities

In August 2012, the operator of CSES entered into an AOC with the MDEQ, which established a comprehensive process to investigate and remediate groundwater seepage impacts related to the wastewater facilities at CSES. Within five years, under this AOC, the operator of CSES is required to provide financial assurance to MDEQ for the costs associated with closure of the waste water treatment facilities. This will establish an obligation for asset retirement, but the operator of CSES is unable at this time to estimate these costs, which will require both public and agency review.

In September 2012, Earthjustice filed an affidavit pursuant to Montana's Major Facility Siting Act (MFSA) that sought review of the AOC by Montana's Board of Environmental Review (BER), on behalf of environmental groups Sierra Club, the MEIC, and the National Wildlife Federation (collectively, the

Petitioners). In September 2012, the operator of CSES filed an election with the BER to have this proceeding conducted in Montana state district court as contemplated by the MFSA. MDEQ and the operator of CSES filed a motion to dismiss several of the claims brought by the Petitioners. On September 30, 2014, the district court denied the motion.

In October 2012, Earthjustice, on behalf of the Petitioners, filed with the Montana state district court a separate action petitioning for a writ of mandamus and a complaint for declaratory relief alleging that the AOC fails to require the necessary actions under the MFSA and the Montana Water Quality Act with respect to groundwater seepage from the wastewater facilities at CSES. On May 31, 2013, the district court judge granted the defendants' motion to dismiss the petition for the writ of mandamus.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome or determine whether it would have a material impact on the Company.

Oregon Tax Court Ruling

On September 17, 2012, the Oregon Tax Court issued a ruling contrary to an Oregon Department of Revenue (DOR) interpretation and a current Oregon administrative rule, regarding the treatment of wholesale electricity sales. The underlying issue is whether electricity should be treated as tangible or intangible property for state income tax apportionment purposes. The DOR has appealed the ruling of the Oregon Tax Court to the Oregon Supreme Court. It is uncertain whether the ruling will be upheld. Oral argument occurred in May 2014 and the parties now await a Court decision.

If the ruling is upheld, PGE estimates that its income tax liability could increase by as much as \$7 million due to an increase in the tax rate at which deferred tax liabilities would be recognized in future years. During the third quarter of 2013, the Company entered into a closing agreement with the DOR, under which the DOR agreed to the tax apportionment methodology utilized on the tax returns relating to open tax years 2008 through 2012.

Management believes that it is reasonably possible that this matter could result in a loss to the Company. However, due to the uncertainties concerning this matter, PGE cannot predict the outcome.

Other Matters

PGE is subject to other regulatory, environmental, and legal proceedings, investigations, and claims that arise from time to time in the ordinary course of business, which may result in judgments against the Company. Although management currently believes that resolution of such matters, individually and in the aggregate, will not have a material impact on its financial position, results of operations, or cash flows, these matters are subject to inherent uncertainties, and management's view of these matters may change in the future.

Exhibit "G"
UP__

Portland General Electric Company and Subsidiaries
Consolidated Statement of Income
Nine Months Ended
September 30, 2014
(In Millions)

	Nine Months Ended September 30, 2014	<u>Adjustments</u>	<u>Adjusted Total</u>
Revenues	\$1,400		\$1,400
Operating Expenses:			
Purchased power and fuel	528		528
Production and distribution	181		181
Administrative and other	164		164
Depreciation and amortization	224		224
Taxes other than income taxes	82		82
Total operating expenses	<u>1,179</u>		<u>1,179</u>
Income from Operations	221	-	221
Other Income:			
Allowance for equity funds used during construction	26		26
Miscellaneous income, net	<u>1</u>		<u>1</u>
Other Income, net	27	-	27
Interest Expense	<u>71</u>		<u>71</u>
Income before income taxes	177	-	177
Income Taxes	<u>46</u>		<u>46</u>
Net Income	131	-	131
Less: net loss attributable to noncontrolling interests	<u>(1)</u>		<u>(1)</u>
Net Income attributable to Portland General Electric Company	<u>\$132</u>	<u>\$ -</u>	<u>\$132</u>

Portland General Electric Company and Subsidiaries
Consolidated Statement of Retained Earnings
Nine Months Ended
September 30, 2014
(In Millions)

	<u>Retained Earnings</u>	<u>Adjustments ⁽¹⁾</u>	<u>Adjusted Total</u>
Balance at Beginning of Period, January 1, 2014	\$913		\$913
Net Income	132		132
	1,045		1,045
Dividends Declared			
Common stock	(67)		(67)
Balance at End of Period, September 30, 2014	<u>\$978</u>	<u>\$0</u>	<u>\$978</u>

(1) No preliminary adjusting entries to the Statement of Retained Earnings.



Sale Agreement # 14227755

FINAL AGENCY ACKNOWLEDGMENT

1 Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent
2 to the following agency relationships in this transaction: (1) Shelby Bateson (Name of Selling Licensee)
3 of Simple Realty Northwest (Name of Real Estate Firm) is the agent of (check one):
4 Buyer exclusively ("Buyer Agency"), Seller exclusively ("Seller Agency"), Both Buyer and Seller ("Disclosed Limited Agency").
5 (2) Corie Gosse (Name of Listing Licensee)
6 of John L. Scott/Woodstock (Name of Real Estate Firm) is the agent of (check one):
7 Seller exclusively ("Seller Agency"), Both Buyer and Seller ("Disclosed Limited Agency").

8 (3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and Licensees are supervised by the same
9 principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both
10 Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and
11 Licensee(s).

12 Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at
13 the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this
14 Final Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

15 Buyer J.R. Haber 01/05/2015 10:58:44 Print JON RANDOLPH HABER Date 01/06/2015 ←
16 Buyer _____ Print _____ Date _____ ←
17 Seller [Signature] Print PGE Date 1/12/16 ←
18 Seller _____ Print _____ Date _____ ←

RESIDENTIAL REAL ESTATE SALE AGREEMENT

19 This Agreement is intended to be a legal and binding contract.
20 If it is not understood, seek competent legal advice before signing. Time is of the essence of this Agreement.

21 1. DEFINITIONS: (1) All references in this Sale Agreement to "Licensee" and "Firm" shall refer to Buyer's and Seller's real estate agents
22 licensed in the State of Oregon and the respective real estate companies with which they are affiliated. (2) Licensee(s) and Firm(s) identified in the
23 Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be expressly applicable. (3) A "business day" shall
24 mean Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020. (4) Unless Seller and Buyer
25 expressly provide otherwise, the phrase "signed and accepted" in the printed text of this Sale Agreement, or any addendum, or counteroffer,
26 however designated (collectively, "the Agreement"), shall mean the date and time that either the Seller and/or Buyer has/have: (a) Signed their
27 acceptance of the Agreement received from the other party, or their licensee, and (b) Transmitted it to the sending party, or their licensee, either by
28 manual delivery ("Manual Delivery"), or by facsimile or electronic mail (collectively, "Electronic Transmission"). (5) The sending of a signed
29 acceptance of the Agreement via Electronic Transmission from one party, or their licensee, to the other party, or their licensee, shall have the
30 same effect as Manual Delivery of the signed original. If the parties intend to use any other method for transmitting a signed offer or acceptance of
31 the Agreement (such as regular mail, certified mail, or overnight delivery), they should so specify at Section 4 (Additional Provisions) of this Sale
32 Agreement. (6) Time calculated in days after the date Buyer and Seller have signed and accepted the Agreement shall start on the first full
33 business day after the date they have signed and accepted it. (7) Excepting only the Lead-Based Paint Contingency Period identified in Section 16,
34 below, unless a different time is specified in the Agreement, all deadlines for performance, however designated, that are measured in business or
35 calendar days, shall terminate as of 5:00 PM on the last day of that deadline, however designated.

36 2.1 PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) JON RANDOLPH HABER
37 _____
38 offers to purchase from Seller (print name(s)) PGE
39 _____
40 the following described real property (hereinafter "the Property") situated in the State of Oregon, County of Multnomah
41 and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.)
42 SUNNYSIDE & PLAT 2 & 3, BLOCK 23, LOT 9, DEPT OF REV
43 3231 SE YAMHILL ST, Portland, OR 97214

Buyer Initials JR / _____ Date 01/06/2015

Seller Initials [Signature] / _____ Date 1/12/16

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Sale Agreement # 14227755

44 (Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with
45 Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)
46 for the Purchase Price (in U.S. currency) of A \$ 330,000.00
47 on the following terms: Earnest money herein received for B \$ 3,000.00
48 on _____, as additional earnest money, the sum of C \$ _____
49 at or before Closing, the balance of down payment D \$ 63,000.00
50 at Closing and upon delivery of DEED CONTRACT the balance of the Purchase Price E \$ 264,000.00
51 2.2 BALANCE OF PURCHASE PRICE. (Select A or B) (Lines B, C, D and E should equal Line A)

52 A. This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds as follows (select only one): Buyer
53 has attached a copy of the Verification with the submission of this Agreement to Seller or Listing Licensee. Buyer will provide Seller or Listing
54 Licensee with the Verification within _____ business days (five [5] if not filled in) after this Agreement has been signed and accepted; or Other
55 (Describe): _____
56 Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within _____ business days (five [5]
57 if not filled in) ("Disapproval Period") following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly
58 refunded and this transaction shall be terminated. If Seller fails to provide Buyer or Selling Licensee with written unconditional disapproval
59 of the Verification by 5:00 p.m. of the Disapproval Period, Seller shall be deemed to have approved the Verification. If Buyer fails to
60 submit a Verification within a time frame selected above, unless the parties agree otherwise in writing, all earnest money deposits shall
61 be promptly refunded and this transaction shall be terminated.

62 B. Balance of Purchase Price to be financed as follows (Select only one): Conventional; FHA; Federal VA;
63 Other (Describe): _____ (hereinafter "Loan
64 Program"). Buyer agrees to seek financing through a lending institution ("Lender") participating in the Loan Program identified above.

65 Pre-Approval Letter. Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker; Buyer does not have a
66 Pre-Approval Letter at the time of making this offer; Buyer agrees to secure a Pre-Approval Letter as follows: _____
67

68 3.1 FINANCING CONTINGENCIES. If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing
69 contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and,
70 (3) Other (Describe): _____
71
72 All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

73 3.2 FAILURE OF FINANCING CONTINGENCIES. If Buyer receives actual notification that any Financing Contingencies identified above have
74 failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have _____ business days (two [2] if not filled in) following
75 the day of Seller's receipt of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other
76 similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to
77 continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time
78 period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer
79 understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon
80 any price and terms as Seller determines, in Seller's sole discretion.

81 3.3 BUYER REPRESENTATION REGARDING FINANCING: As of the date of signing this Agreement, Buyer makes the following
82 representations to Seller:

- 83 (1) Buyer shall apply for a loan not later than _____ business days (three [3] if not filled in) following the date Buyer and Seller have signed this
84 Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all
85 application, appraisal and processing fees, where applicable) to obtain the loan;
- 86 (2) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Contingency
87 Period in Section 15.2 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Inspection Period.
- 88 (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to Close the transaction described
89 herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or Closing of other property, 401K disbursements, etc.),
90 except as follows (describe):
91 n/a
92

93 (4) Buyer authorizes Buyer's Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer's
94 loan application status.

Buyer Initials / Date 01/02/2015

Seller Initials / Date 1/2/2015



Sale Agreement # 14227755

95 (5) Buyer shall promptly notify Seller or Seller's Licensee if, after signing this Agreement, Buyer substitutes another lender for any reason.
96 Notwithstanding the preceding, Buyer shall not be permitted to select a Loan Program different than the one selected in Section 2.2 (B) above,
97 without Seller's advance written consent.

98 (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer's financing and the timing of
99 Closing.

100 **3.4 INSURANCE:** Buyer is encouraged to promptly verify the availability and cost of property/casualty/ fire insurance that will be secured for the
101 Property. Additionally, lenders may require proof of property/casualty/fire insurance as a condition of the loan.

102 **3.5 FLOOD INSURANCE; ELEVATION CERTIFICATE:** If the Property is located in a designated flood zone, flood insurance may be required
103 as a condition of a new loan. Buyer is encouraged to promptly verify the need, availability, and cost of flood insurance, if applicable. An Elevation
104 Certificate ("EC") is the document used by the federal National Flood Insurance Program ("NFIP") to determine the difference in elevation between
105 a home or building, and the base flood elevation ("BFE"), which is a computed elevation to which floodwater is anticipated to rise during certain
106 floods. The amount of the flood insurance premium for a particular property is based upon the EC. Not all properties in flood zones require an EC,
107 depending upon when they were constructed. ECs must be prepared and certified by a land surveyor, engineer, or architect who is authorized by
108 the local jurisdiction to certify elevation information. The costs and fees for an EC may range from a few hundred dollars to over a thousand. If the
109 Property requires an EC, it will need to be obtained prior to receiving a flood insurance quote. Additionally, lenders may require an EC as
110 a condition of loan approval. For more information, go to the following link: http://www.fema.gov/media-library-data/20130726-1914-25045-8243/floodsmart_factsheet_homeowners.pdf.
111

112 **4. ADDITIONAL PROVISIONS:** Seller to pay up to 3% of purchase price towards closing costs, pre-paids
113 and reserves. Sale subject to buyer review of property and seller response to inquiries of
114 1/4/2015 to seller within 7 days of mutual acceptance of offer. *DELETED - SEE AMENDMENT*
115

116 _____
117 _____ For additional provisions, see Addendum *117*

118 **5. TITLE INSURANCE:** Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report
119 and the recorded covenants, conditions and restrictions ("the Report and CC&Rs") showing the condition of title to the Property. (If not fully
120 understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice.
121 Neither Listing nor Selling Licensee is qualified to advise on specific legal or title issues.) Upon signature and acceptance of this
122 Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order the Report and CC&Rs from an Oregon title insurance
123 company and furnish them to Buyer. Upon receipt of the Report and CC&Rs, Buyer shall have _____ business days (five [5] if not filled in) within
124 which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs which is/are unacceptable to Buyer ("the Objections"). Buyer's
125 failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the Report and/or CC&Rs.
126 However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 6 below. If, within _____
127 business days (five [5] if not filled in) following receipt of the Objections, if any, Seller fails to remove or correct the matters identified in the
128 Objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be
129 promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in
130 writing. Within thirty (30) days after Closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title
131 in the Property to Buyer in the amount of the purchase price, free and clear of the Objections and all other title exceptions agreed to be removed as
132 part of this transaction. (Note: This Section 5 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In some
133 areas of the country, such a payment might be regarded as a "seller concession." Under the amended Real Estate Settlement
134 Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations, regulations and disclosure requirements on "seller
135 concessions" unless the product or service paid by the Seller was one customarily paid by the Seller. In Oregon sellers customarily and
136 routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 5 are modified in
137 writing by Buyer and Seller, the parties acknowledge, agree and so instruct escrow, that in this transaction, Seller's payment of Buyer's
138 standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law.)

139 **6. DEED:** Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
140 trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet
141 payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property,
142 covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 5 above.

143 **7. SELLER-CARRIED FINANCING (E.G. LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,**
144 **ETC.):** Note: If this transaction involves a land sale contract, trust deed, mortgage, option, or lease-to-own agreement (hereinafter a "Seller-Carry
145 Transaction") Oregon law requires that, unless exempted, individuals offering or negotiating the terms must hold a mortgage loan originator
146 ("MLO") license. Your real estate licensee is not qualified to provide these services or to advise you in this regard. Legal advice is strongly

Buyer Initials / Date 01/02/2015

Seller Initials / Date 1/2/2015

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Sale Agreement # 14227755

147 recommended. Oregon law exempts the following individuals from the MLO licensing law: (a) Those who offer or negotiate terms of a residential
148 mortgage loan with or on behalf of their spouse, child, sibling, parent, grandparent, grandchild or a relative in a similar relationship created by law,
149 marriage or adoption. (b) Those who sell their primary residence they currently or previously lived in; and (c) Individuals who sell up to three (3)
150 non-primary residences per 12-month period. (Note: One may not hold more than eight residential mortgage loans at one time.)
151 if this is a Seller-Carried Transaction, it shall be subject to Seller's determination whether to employ a Mortgage Loan Originator to offer and
152 negotiate the terms of financing with Buyer. Seller shall make that determination and notify Buyer or Buyer's licensee in writing not later than
153 _____ (two [2] if not filled in) business days after the date Buyer and Seller have signed and accepted this Sale Agreement

155 ("the Notification Deadline"). Seller's failure to timely notify Buyer or Buyer's licensee, shall constitute an automatic election by Seller to offer and
156 negotiate the terms of the transaction on Seller's own behalf.

157 The parties and/or their MLOs shall thereafter reach a binding written agreement upon the terms and conditions of their Seller-Carried Transaction
158 not later than _____ business days (seven [7] if not filled in) after the date Seller has notified Buyer whether Seller will use a MLO, or the end of
159 the Notification Deadline, whichever first occurs ("the Negotiation Period"). Upon failure of Buyer and Seller, and/or their MLOs to reach agreement
160 as to the terms and conditions of the Seller-Carried Transaction within the Negotiation Period, this transaction shall automatically terminate, and all
161 parties shall cooperate in signing such documentation reasonably necessary to effect a termination of this transaction and a refund of all deposits,
162 if any, to Buyer.

159 **Caveat: Buyer and Seller are strongly encouraged to secure competent legal advice in drafting any legally binding agreements relating
160 to the Seller-Carried Transaction. If Escrow (as defined in Section 17) is instructed to prepare the note and trust deed or mortgage to be
161 used in this transaction, state statute requires that Buyer and Seller receive from Escrow, at least three (3) days prior to Closing (as
162 defined in Section 18), a statutory notice and a copy of the proposed documents. This requirement cannot be waived by Buyer or Seller
163 without the approval of both of their respective Oregon-licensed attorneys.**

164 **8. FIXTURES:** All fixtures (including remote controls and essential related equipment) are to be left upon the Property. Fixtures shall include but
165 not be limited to: Built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows;
166 system fixtures (irrigation, plumbing, ventilating, cooling and heating); water heaters; attached electric light and bathroom fixtures; light bulbs;
167 fluorescent lamps; window blinds; awnings; fences; all planted shrubs, plants and trees; EXCEPT: _____
168

169 **9. PERSONAL PROPERTY:** Only the following personal property, in "AS-IS" condition and at no stated value is included:
170 FS range, FS refrigerator, FS washer/dryer, all window coverings, storm windows
171 _____
172 _____
173

174 **10. ALARM SYSTEM:** NONE OWNED LEASED. If leased, Buyer will will not assume the lease at Closing.

175 **11. WOODSTOVE/FIREPLACE INSERT:** Does the Property contain a woodstove or fireplace insert? Yes No
176 Is the woodstove or fireplace insert certified? Yes No Unknown If "No" or "Unknown," Seller to provide Buyer with OREF-046
177 Woodstove/Fireplace Insert Addendum.

178 **12. SELLER REPRESENTATIONS:** Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the
179 following representations to Buyer:

180 (1) The primary dwelling is connected to (check all that apply): a public sewer system; an on-site sewage system; a public
181 water system; a private well; other (e.g., surface springs, cistern, etc.).

182 (2) At the earlier of possession or Closing Date, the dwelling will have one or more operating smoke alarms, smoke detectors and
183 carbon monoxide detectors as required by law (See <http://www.oregon.gov/OSP/SFM/>).

184 (3) Seller has no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in
185 appliances and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in
186 residential housing and may exist in the Property.

187 (4) Seller knows of no material defects in or about the Property.

188 (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the
189 yard, will be in substantially its present condition at the time Buyer is entitled to possession.

190 (6) Seller has no notice of any liens or assessments to be levied against the Property.

191 (7) Seller has no notice from any governmental agency of any violation of law relating to the Property.

192 (8) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.

193 (9) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges, landscaping,
194 structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal description of the
195 Property.

Buyer Initials MB / _____ Date 01/08/2015 10

Seller Initials [Signature] / _____ Date 1/12/2015

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 4 of 11

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Sale Agreement # 14227755

196 (10) Seller will keep the Property fully insured through Closing.
197 Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition which could result in
198 making any previously disclosed material information relating to the Property substantially misleading or incorrect. These
199 representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1) through (10)
200 are: _____
201 _____
202 _____
203 _____

204 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute
205 for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of
206 professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for
207 Buyer's intended use. Neither the Listing nor Selling Licensees shall be responsible for conducting any inspection or investigation of
208 any aspects of the Property.

209 13. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property
210 Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This
211 provision shall not be construed to limit Buyer's right to implied new home warranties, if any, that may otherwise exist under Oregon
212 law.

213 14.1 PRIVATE WELL: Does the Property contain a well that supplies or is intended to supply domestic water for household use? Yes No
214 If the property contains a private well, the OREF-082 Private Well Addendum will be attached to this Sale Agreement.

215 14.2 ONSITE SEWAGE SYSTEM: Does the Property contain an onsite sewage system? Yes No If the Property contains an onsite
216 sewage system, the OREF-081 Onsite Sewage System Addendum will be attached to this Sale Agreement.

INSPECTIONS: (CHECK ONLY ONE BOX)

217 15.1 ENVIRONMENTAL HEALTH CONDITIONS: The following list identifies some, but not all, environmental conditions that may be found in and
218 around all real property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other
219 contaminants in drinking water and well water, lead-based paint, mold and mildew, radon, and leaking underground storage tanks. If Buyer has
220 any concerns about these conditions or others, Buyer is encouraged to secure the services of a professional inspector, consultant, or health
221 expert, for information and guidance. Neither the listing nor selling licensees are experts in environmental health hazards or conditions. For
222 additional information, go to the Oregon Association of Realtors® Buyer advisory at: <http://www.oregonrealtors.org> and the Oregon Public Health
223 Division at <http://public.health.oregon.gov/Pages/Homes.aspx>

224 15.2 INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s) relating to
225 such matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating systems, and suitability for
226 Buyer's intended purpose. Neither Listing nor Selling Licensee is qualified to conduct such inspections and shall not be responsible to do so. For
227 further details, Buyer is encouraged to review the Buyer Advisory at "<http://www.oregonrealtors.org>".

228 PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by
229 one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which
230 may include testing or removal of any portion of the Property including radon and mold. Buyer understands that Buyer is responsible
231 for the restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have
232 10 business days (ten [10] if not filled in), after the date Buyer and Seller have signed and accepted this Agreement (hereinafter "the
233 Inspection Period"), in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any inspection report.
234 However, during the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a
235 written and signed modification is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of
236 Buyer's unconditional disapproval of the Property based on any inspection report(s), in which case, all earnest money deposits shall be promptly
237 refunded and this transaction shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer
238 fails to provide Seller or Listing Licensee with written unconditional disapproval of any inspection report(s) by 5:00 P.M. of the final day of
239 the Inspection Period, Buyer shall be deemed to have accepted the condition of the Property. Note that if, prior to expiration of the
240 Inspection Period, written agreement is reached with Seller regarding ALL Buyer's requested repairs, the Inspection Period shall
241 automatically terminate, unless the parties agree otherwise in writing.

242 Identify Additional Inspections: radon

243 ALTERNATIVE INSPECTION PROCEDURES: OREF-058 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION
244 ADDENDUM _____ is attached to this Agreement.

Buyer Initials MM / _____ Date 01/02/2015

Seller Initials MM / _____ Date 1/2/2015

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Sale Agreement # 14227755

245 BUYER'S WAIVER OF INSPECTION CONTINGENCY: Buyer represents to Seller and all Licensees and Firms that Buyer is fully satisfied
246 with the condition of the Property and all elements and systems thereof and knowingly and voluntarily elects to waive the right to have any
247 inspections performed as a contingency to the Closing of the transaction. Buyer's election to waive the right of inspection is solely Buyer's decision
248 and at Buyer's own risk.

249 16. LEAD-BASED PAINT CONTINGENCY PERIOD: If the Property was constructed before 1978, a Lead-Based Paint Disclosure
250 Addendum (hereinafter "the Disclosure Addendum") shall be promptly signed by Seller, Buyer and Listing and Selling Licensees, and
251 become a part of this Agreement. Buyer shall also be provided with a pamphlet entitled "Protect Your Family From Lead in Your Home."
252 Buyer shall have _____ calendar days (ten [10] unless a greater number is filled in) within which to conduct a lead-based paint
253 assessment or inspection (hereinafter referred to as "the Lead-Based Paint Contingency Period"), which shall commence immediately
254 when Buyer and Seller sign the Disclosure Addendum. Unless the opportunity to conduct a risk assessment or inspection is expressly
255 waived in the Disclosure Addendum, Buyer may, in writing, unconditionally cancel this transaction during the Lead-Based Paint
256 Contingency Period and receive a prompt return of all earnest money deposits. Buyer understands that the failure to give timely written
257 notice of cancellation prior to Midnight on the last day of the Lead-Based Paint Contingency Period shall constitute acceptance of the
258 condition of the Property as it relates to the presence of lead-based paint or lead-based paint hazards.

259 OREF-021 Lead-Based Paint Disclosure Addendum is attached to this Agreement.

260 17. ESCROW: This transaction shall be Closed at Chicago Title ("Escrow"),
261 a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless otherwise
262 specifically prohibited by the U.S. Department of Veterans Affairs (Federal VA).

263 Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary title report and owner's title
264 policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's
265 recording fees, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before Closing. Buyer shall deposit with
266 Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any. Real estate fees, commissions or
267 other compensation for professional real estate services provided by Listing and/or Selling Firms shall be paid at closing in accordance with the
268 listing agreement, buyer service agreement or other written agreement for compensation.

269 18. CLOSING: Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event later than 03/12/2015,
270 ("the Closing Deadline"). The terms "Closed", "Closing" or "Closing Date" shall mean when the deed or contract is recorded and funds
271 are available to Seller. Buyer and Seller acknowledge that for Closing to occur by the Closing Deadline, it may be necessary to execute
272 documents and deposit funds in Escrow prior to that date. Caveat: Section 7 above requires three (3) days prior to the Closing Deadline
273 if Escrow is to prepare a note and a deed of trust or mortgage.

274 19. POSSESSION: Seller shall remove all personal property (including trash and debris) that is not a part of this transaction, and deliver
275 possession of the Property to Buyer (select one):

- 276 (1) by 5:00 p.m. on Closing;
- 277 (2) by _____ a.m. p.m. _____ days after Closing;
- 278 (3) by _____ a.m. p.m. on the _____ day of _____.

279 If a tenant is currently in possession of the Property (check one): Buyer will accept tenant at closing; Seller shall have full responsibility for
280 removal of tenant prior to closing.

281 20. PRORATIONS: Prorates for rents, current year's taxes, interest on assumed obligations, and other prepaid expenses attributable to the
282 Property shall be as of: (check one) the Closing Date; date Buyer is entitled to possession; or _____
283

284 21. SELLER POSSESSION AFTER CLOSING: In the event that Buyer and Seller have agreed that Seller will deliver possession after Closing,
285 OREF-054 (Agreement to Occupy After Closing). will be attached to this Sale Agreement.

286 22. UTILITIES: Seller shall pay all utility bills accrued to date Buyer is entitled to possession. Buyer shall pay Seller for heating fuel then on
287 premises, at Seller's supplier's rate on the possession date. Payment shall be handled between Buyer and Seller outside of Escrow.

288 23. HOME WARRANTIES: Home warranty plans may be available to help cover homeowner costs to repair/replace certain home systems and
289 appliances. (See specific plan for details.) Will a plan be purchased for Buyer as a part of this transaction? Yes No
290 If yes, identify plan and cost: _____ \$ _____ To be paid at Closing by: Buyer Seller

291 24. ESCROW DEPOSIT: Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a copy of this Agreement marked
292 "rejected" by Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon
293 your receipt of a copy of this Agreement signed by Buyer and Seller, set up an escrow account and proceed with Closing in accordance with the
294 terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute between
295 Buyer and Seller), subject only to Section 40 below, you are to hold all earnest money deposits until you receive written instructions from Buyer and
296 Seller, or a final ruling from a court or arbitrator, as to disposition of such deposits.

Buyer Initials / Date 01/02/2015 10

Seller Initials / Date 1/2/2015

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Sale Agreement # 14227755

297 25. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but
298 fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein
299 provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through
300 no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a
301 waiver of other legal remedies available to Buyer. If Seller signs and accepts this Agreement and title is marketable; and (1) Buyer has
302 misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to
303 redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform
304 any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as
305 otherwise allowed under Oregon law, and this transaction shall be terminated, it is the intention of the parties that Seller's sole remedy against
306 Buyer for Buyer's failure to Close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein.

307 26. BINDING EFFECT/CONSENT: This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and
308 Seller. However, Buyer's rights under this Agreement or in the Property are not assignable without prior written consent of Seller.

309 27.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS. Subject to certain exceptions, Escrow is required to withhold a
310 portion of Seller's proceeds if they are a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to execute and deliver, as
311 appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of Oregon law.

312 27.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING OBLIGATIONS. Seller is advised that upon Closing, Federal law, known as the
313 Foreign Investment in Real Property Tax Act ("FIRPTA"), allows an escrow company, if they agree, to withhold a portion of Seller's proceeds if the real
314 property is located within the United States and Seller is a "foreign person." A "foreign person" includes a non-resident alien individual, foreign corporation,
315 foreign partnership, foreign trust and foreign estate. The amount deducted from Seller's proceeds is ten percent (10%) of the gross sales price and is required
316 to be delivered over to the Internal Revenue Service ("IRS") within twenty (20) days of the closing of the transaction. Buyer may become responsible for
317 payment if FIRPTA applies and Escrow is not instructed to withhold the funds. FIRPTA will not apply to this transaction so long as: (a) The sale price is
318 \$300,000 or less; (b) The Property is to be used by Buyer as a residence; and, (c) Buyer is an individual. Where applicable, Buyer and Seller agree to execute
319 and deliver, as appropriate, any instrument, affidavit or statement, reasonably requested by Escrow to carry out the provisions of FIRPTA. NOTE: AT SECTION
320 12 OF THIS AGREEMENT, SELLER REPRESENTS THAT SELLER IS NOT A "FOREIGN PERSON" (HEREINAFTER "SELLER'S NON-FIRPTA STATUS"). IF SELLER IS
321 UNSURE, SELLER SHOULD FIRST CONFER WITH SELLER'S TAX COUNSEL OR CPA BEFORE ENTERING INTO THIS TRANSACTION. IN SUBMITTING THIS OFFER, BUYER
322 REPRESENTS THAT BUYER HAS NO KNOWLEDGE, INFORMATION, OR BELIEF THAT SELLER IS A FOREIGN PERSON OR THAT THIS TRANSACTION IS SUBJECT TO FIRPTA.
323 SELLER ACKNOWLEDGES THAT BUYER, LISTING AND SELLING LICENSEES, THEIR RESPECTIVE FIRMS, AND ESCROW, ITS AGENTS, EMPLOYEES AND
324 REPRESENTATIVES, SHALL HAVE THE ABSOLUTE RIGHT TO RELY UPON SELLER'S REPRESENTATION OF SELLER'S NON-FIRPTA STATUS AT SECTION 12 ABOVE.
325 THIS RIGHT OF RELIANCE SHALL CONTINUE THROUGH THE CLOSING DATE AND THEREAFTER, UNLESS SELLER HAS DISCLOSED OTHERWISE IN A WRITTEN COUNTER-
326 OFFER OR ADDENDUM TO THIS SALE AGREEMENT. IF AT ANY TIME DURING THIS TRANSACTION, IT IS DETERMINED THAT SELLER'S REPRESENTATION OF SELLER'S
327 NON-FIRPTA STATUS WAS INCORRECT, FOR ANY REASON, SELLER AND BUYER HEREBY APPOINT AND INSTRUCT ESCROW TO ACT AS THE QUALIFIED SUBSTITUTE
328 FOR BUYER AS DEFINED BY THE IRS, FOR PURPOSES OF PREPARING THE NECESSARY PAPERWORK, WITHHOLDING THE NECESSARY FUNDS, AND REMITTING THE
329 SAME TO THE IRS. IF FOR ANY REASON, ESCROW DECLINES TO ACT AS A QUALIFIED SUBSTITUTE, ESCROW IS REQUESTED TO PROMPTLY NOTIFY SELLER AND
330 BUYER IN A TIMELY MANNER SO THEY MAY MAKE OTHER ARRANGEMENTS PRIOR TO THE SCHEDULED CLOSING. SELLER AND BUYER ACKNOWLEDGE THAT IF
331 FIRPTA APPLIES TO THIS TRANSACTION, ESCROW'S ROLE AS A QUALIFIED SUBSTITUTE MAY RESULT IN A DELAY IN CLOSING THIS TRANSACTION, UNLESS
332 OTHERWISE PROVIDED IN THIS SALE AGREEMENT OR ANY SUBSEQUENT SIGNED WRITTEN AGREEMENT BETWEEN SELLER AND BUYER. CONFIRMATION OF SELLER'S
333 NON-FIRPTA STATUS IS NOT A CONTINGENCY IN THIS TRANSACTION.

334 28. APPROVED USES: "THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT
335 PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST
336 ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR
337 FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
338 TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO
339 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009,
340 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
341 ACQUIRING FREE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO
342 VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010
343 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR
344 STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301
345 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855,
346 OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010."

347 29. IRC 1031 EXCHANGE: In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to
348 cooperate with them and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the Close of
349 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
350 contingency to the Closing of this transaction.

Buyer Initials MM / Date 01/20/2015

Seller Initials [Signature] / Date 1/20/2015



Sale Agreement # 14227755

351 30.1 LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one) is is not specially assessed for property taxes (e.g., farm,
352 forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is
353 current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this
354 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically
355 provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be
356 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the
357 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole
358 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and
359 hold Seller responsible to pay into Escrow all deferred and/or additional taxes and interest which may be levied or recaptured against the Property
360 and hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or damages
361 arising from a breach of this Section 30.1.

362 30.2 HISTORIC PROPERTY DESIGNATION:
363 If the Property is or may be subject to a Historic Property local ordinance or is subject to or may qualify for the Historic Property Special Property
364 Tax Assessment under ORS 358.475 to 358.565, Seller provides OREF-045 Historic Property Addendum.

DISPUTE RESOLUTION INVOLVING BUYER AND SELLER ONLY

365 31. DISPUTE RESOLUTION BETWEEN BUYER AND SELLER: Buyer and Seller agree that all claims, controversies and disputes between
366 them, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be
367 resolved in accordance with the procedures set forth herein, which shall expressly survive Closing or earlier termination of this Agreement.
368 Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed,
369 land sale contract or recorded construction lien; or (2) a forcible entry and detainer action (eviction). The filing in court for the issuance of any
370 provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty
371 to utilize the dispute resolution procedures specified herein. In the event of any suit, action or arbitration relating to the enforcement or interpretation of
372 this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall be placed in the State of Oregon for all purposes.

373 32. SMALL CLAIMS BETWEEN BUYER AND SELLER: Notwithstanding the following Sections, Buyer and Seller agree that all Claims that are
374 within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.

375 33. MEDIATION BETWEEN BUYER AND SELLER: If Buyer or Seller were represented in this transaction by a Licensee whose principal
376 broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the
377 Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation
378 program (collectively "the System"). Provided, however, if Licensee's principal broker is not a member of the National Association of REALTORS®
379 or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation either
380 through: (1) the special mediation program administered by Arbitration Service of Portland ("ASP"), or (2) any other impartial private mediator(s) or
381 program(s) so long as such services are available in the county where the Property is located, as selected by the party first filing for mediation.

382 34. ARBITRATION BETWEEN BUYER AND SELLER: All Claims that have not been resolved by mediation, or otherwise, shall be submitted to
383 final and binding private arbitration in accordance with Oregon laws. Filing for arbitration shall be treated the same as filing in court for purposes of
384 meeting any applicable statutes of limitation, statute of ultimate repose, or for purposes of filing a lis pendens. Buyer or Seller may file Claims
385 either with ASP or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected
386 alternative service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct
387 the hearing in the county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its
388 conclusion. BY CONSENTING TO THIS PROVISION BUYER AND SELLER ARE AGREEING THAT DISPUTES ARISING UNDER THIS
389 AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND BUYER AND SELLER ARE GIVING UP
390 THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED
391 UNDER OREGON LAW.

392 35. ATTORNEY FEES IN CLAIMS BETWEEN BUYER AND SELLER: The prevailing party in any suit, action or arbitration (excluding those
393 Claims filed in Small Claims Court) between Buyer and Seller shall be entitled to recovery of all reasonable attorney fees and costs and
394 disbursements as defined in ORCP 68 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was
395 available to Buyer or Seller when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to
396 the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon,
397 the filing in arbitration or court.

Buyer Initials / Date 01/08/2016 10

Seller Initials / Date 1/8/2016

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE
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RESIDENTIAL REAL ESTATE SALE AGREEMENT – Page 8 of 11



Sale Agreement # 14227755

DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

398 36. **SMALL CLAIMS COURT AND ARBITRATION:** All claims, controversies or disputes relating to this transaction, including those for
399 rescission, in which a Licensee or Firm identified in the Final Agency Acknowledgment Section above is named or included as a party, shall be
400 resolved exclusively as follows: (1) If within the jurisdictional limit of Small Claims Court, the matter shall be brought and decided there, in lieu of
401 arbitration or litigation in any other forum. The preceding sentence shall be construed to mean that no party shall have a right to request a jury trial
402 and so remove the matter from the Small Claims Department of the Circuit Court under ORS 46.455(3). BY CONSENTING TO THIS PROVISION,
403 BUYER AND SELLER ACKNOWLEDGE THAT THEY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE THE MATTER TRIED BY A
404 JUDGE OR JURY IN CIRCUIT COURT, AND THAT A JUDGMENT IN SMALL CLAIMS COURT IS FINAL AND BINDING, AND THERE IS NO
405 RIGHT OF APPEAL. (2) All other claims, controversies or disputes involving such Licensee or Firm shall be resolved through final and binding
406 arbitration using the arbitration selection process described in Section 34 above. Filing for arbitration shall be treated the same as filing in court for
407 purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. This Section 36 shall be in lieu of litigation involving
408 such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or informal mediation at any time, but shall
409 not be required to do so under this Section 36. This Section 36 shall not apply to those matters in which: (a) The claim, and is otherwise required
410 to be resolved under the Professional Standards Arbitration controversy or dispute is exclusively between REALTORS®; (b) Licensee or Firm has
411 agreed to participate in alternative dispute resolution in a prior provision of the National Association of REALTORS written listing, service or fee
412 agreement with Buyer or Seller, or (c) Licensee or Firm is Buyer or Seller in this transaction (in which case, Sections 31-35 shall apply). This
413 Section 36 shall expressly survive Closing or earlier termination of this Agreement. In the event of any suit, action or arbitration relating to the
414 enforcement or interpretation of this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall be placed in the State of
415 Oregon for all purposes. In the event that one or more Licensees and/or Firms have been named or included in any claims, controversies
416 or disputes that also include Buyer and/or Seller, the alternative dispute resolution and attorney fee provisions of Sections 31-35 above
417 shall continue to apply to Buyer and/or Seller, and this Section 36 shall apply exclusively to Licensees and/or Firms.

418 37. **RECEIPT FOR EARNEST MONEY:** Selling Firm acknowledges receipt of earnest money from Buyer in the sum of \$3,000.00
419 evidenced by CASH CHECK PROMISSORY NOTE payable as follows:
420 3 business calendar days (check one) after this Agreement has been signed and accepted; or
421 on or before _____;
422 Other form of earnest money: _____

423 38. **EARNEST MONEY INSTRUCTIONS:** Buyer instructs Selling Firm, and Selling Firm agrees, to handle the earnest money as follows.
424 (check all that apply):
425 Hold any earnest money that is in the form of a check undeposited until this Agreement has been signed and accepted pending mutual
426 acceptance of this Agreement and all agreed-upon counter offers, after which time deposit is as provided herein within three (3) banking days.
427 Deposit any earnest money funds redeemed under a promissory note with _____
428 Deposit in Selling Firm's client trust account, and thereafter/or Deposit with Escrow. In the event the earnest money is deposited in
429 Selling Firm's trust account or with Escrow (collectively "the Deposit Holder"), and the Deposit Holder has arranged to have interest on such
430 deposit transferred to a qualified public benefit corporation for distribution to organizations and individuals for first time home-buying assistance and
431 development of affordable housing pursuant to ORS 696.241(6) or ORS 696.578(3), all parties acknowledge and agree that any interest accruing
432 on the earnest money so deposited shall be transferred in accordance with this provision. The preceding sentence shall be subject to any other
433 statutes or regulations governing the disposition of earnest money deposits.
434 SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE
435 PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

436 Simple Realty Northwest Shelby Bateson 01/06/2015 10:44:30 ←
437 Selling Firm Selling Licensee Signature
13335 SE Woodland Cir , Happy Valley, OR
438 Office Address 97086 Phone (503) 974-2404 FAX

439 39. **PROPERTY DISCLOSURE LAW:** Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides
440 that Buyer has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days after Seller's delivery of Seller's
441 Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the Oregon Administrative Rules) if Buyer does
442 not receive the Statement from Seller before Closing. Buyer may waive the right of revocation only in writing. Seller authorizes Listing Firm to
443 receive Buyer's notice of revocation, if any, on Seller's behalf.

444 40. **COUNTERPARTS/DELIVERY:** This Agreement may be signed in multiple counterparts with the same legal effect as if all parties signed the
445 same document. This shall mean that delivery (e.g., transmissions manually, by facsimile, electronic mail, overnight mail, first-class regular or
446 certified mail, etc.) of a legible true copy of a signed original of this Agreement, including but not limited to all addenda, counter offers, and legal
447 notices required thereunder, shall be treated the same as delivery of the original document.

Buyer Initials: / Date 01/06/2015
Seller Initials: / Date 1/6/2015

Sale Agreement # 14227755



448 41. AGREEMENT TO PURCHASE: Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
449 Buyer acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer
450 acknowledges that Buyer has not relied upon any oral or written statements made by Seller or any Licensee which are not expressly
451 contained in this Agreement. Neither Seller nor any Licensee(s) warrant the square footage of any structure or the size of any land being
452 purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to
453 signing or should be made an express contingency in this Agreement.

454 Deed or contract shall be prepared in the name of Jon Randolph Haber
455 This offer shall automatically expire on (insert date) January 9, 2015 at 5 a.m. p.m., (the Offer Deadline), if not
456 accepted by that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's acceptance. If Seller accepts this offer
457 after the Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two [2] if not filled in)
458 after the date of Seller's acceptance by so indicating at Section 44 below. This offer may be accepted by Seller only in writing.

459 Buyer J.R. Haber Jon Randolph Haber #01/06/2015 10:58:44 Date 1/12/2015 a.m. 4:00 p.m.
460 Buyer _____ Date _____ a.m. _____ p.m.

461 Address 2258 MARINA AVE, LIVERMORE, CA 94550 Zip _____
462 Phone Home _____ Work _____ E-mail jrhaber@comcast.net Fax _____

NO CHANGES OR ALTERATIONS ARE PERMITTED TO ANY PORTION OF THE PRE-PRINTED FORMAT OR TEXT OF THIS FORM. ANY
SUCH PROPOSED CHANGES OR ALTERATIONS SHOULD BE MADE ON A SEPARATE DOCUMENT. CHANGES BY SELLER OR LISTING
AGENCY TO THE TERMS OR PROVISIONS ABOVE BUYER'S SIGNATURE SHOULD ALSO BE ON A SEPARATE DOCUMENT.

463 This offer was submitted to Seller for signature on the _____ day of _____, at _____ a.m. _____ p.m.
464 By _____ (Licensee(s) presenting offer).

465 42. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY: Seller accepts Buyer's offer. Seller
466 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller
467 acknowledges that Seller has not relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly
468 contained in this Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 25 above, shall be
469 disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one) First to Listing Firm to the
470 extent of the agreed commission just as if the transaction had been Closed, with residue to Seller, or 100% to seller.

471 Seller Joe Date _____ a.m. _____ p.m.
472 Seller _____ Date _____ a.m. _____ p.m.

473 Address _____ Zip _____
474 Phone Home _____ Work _____ E-mail _____ Fax _____

475 43. REJECTION/COUNTER OFFER: SELECT ONE: Seller does not accept the above offer, but makes the attached counter offer. SEE ADDENDUM
476 Seller rejects Buyer's offer.

477 Seller Joe Date 1/12/15 a.m. _____ p.m.
478 Seller _____ Date _____ a.m. _____ p.m.

479 Address _____ Zip _____
480 Phone Home _____ Work _____ E-mail _____ Fax _____

481 44. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response
482 is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 41 above, Buyer (select only one) agrees does
483 not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.) If
484 Buyer checks the box agreeing to be bound by Seller's acceptance occurring after the Offer Deadline, this Agreement shall become binding on the
485 parties when Buyer's acceptance has been transmitted to Seller or Seller's Licensee.

486 Buyer J.R. Haber Jon Randolph Haber #01/06/2015 10:58:44 Date 1/12/2015 a.m. 4:00 p.m.
487 Buyer _____ Date _____ a.m. _____ p.m.



Sale Agreement # 14227755

488 45. FIRMS/LICENSEES:
489 Selling Licensee Shelby Bateson Selling Firm Simple Realty Northwest
490 Selling Firm Office Address 13335 SE Woodland Cir , Happy Valley, OR 97086
491 Phone (503) 974-2404 Phone (503) 819-6545 Fax _____
492 E-mail shelbyb28@gmail.com
493 Date and Time of Transmssion of Acceptance _____

494 Listing Licensee Corie Gosse Listing Firm John L. Scott/Woodstock
495 Listing Firm Office Address 4111 SE Woodstock Boulevard, Portland, OR 97202
496 Phone (503) 775-4699 Phone (503) 320-7468 Fax (503) 775-0754
497 E-mail corieq@johnlscott.com



Sale Agreement # 14227755

PROMISSORY NOTE FOR EARNEST MONEY

1 Buyer(s) JON RANDOLPH HABER
 2 Seller(s) PGE
 3 Property Address 3231 SE YAMHILL ST , Portland, OR 97214

4 Buyer(s): JON RANDOLPH HABER
5 jointly and severally promise to pay to (select only one payee):

6 Real Estate Firm: _____

7 Seller(s): PGE

8 the sum of \$ 3,000.00

9 1) Upon redemption of this promissory note, funds shall be made payable to (select only one):

10 Real Estate Firm Trust Account: _____

11 Seller(s): _____

12 Escrow / Title Company: Chicago Title

13 2) This Note is due and payable (select only one due date):

14 3 business calendar (Select one) days after mutual acceptance of the Real Estate Sale Agreement;

15 on or before _____

16 3) If this Note is not paid when due, Buyer(s) shall pay interest at the rate of ten percent (10%) per annum on the unpaid balance from the
17 due date until it is paid in full. BUYER(S) UNDERSTAND(S) THAT TIME IS OF THE ESSENCE, AND THAT THE FAILURE TO PAY
18 THIS NOTE WHEN DUE, MAY CONSTITUTE A DEFAULT UNDER THE REAL ESTATE SALE AGREEMENT WITH SELLER.

19 4) If Real Estate Firm is named as the payee of this Note, and Note is not paid when due, Buyer(s) hereby consent(s) to Real Estate Firm
20 assigning and transferring it to Seller(s) for all purposes including collection.

21 5) This Note is hereby incorporated into and made a part of the Real Estate Sale Agreement between Seller(s) and Buyer(s). In the event of
22 any dispute between said parties, the mediation, arbitration and attorney fee provisions therein shall expressly apply.

23 6) If payment is not made on or before the due date, Buyer(s) understand that Principal Broker is instructed by Seller(s) to promptly assign
24 and transfer this Note to Seller(s), without recourse, and for all purposes, including collection. It is expressly understood and agreed that
25 neither Principal Broker nor Principal Broker's Firm, its owners, officers or directors, licensees, employees or representatives shall have
26 any duty (fiduciary or otherwise), responsibility or liability to Seller(s) to enforce collection of the Note, nor for any fees or costs associated
27 therewith.

28 Buyer JON RANDOLPH HABER 01/06/2015 10:58:28 Date 01/06/2015 ← Seller PGE Date 1/12/15 ←

29 Buyer _____ Date _____ ← Seller _____ Date _____ ←

30 Selling Licensee Shelby Bateson Listing Licensee Corie Gosse

31 Selling Firm Simple Realty Northwest Listing Firm John L. Scott/Woodstock

**ADDENDUM TO PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY
DATED JANUARY 6, 2015 BETWEEN JON RANDOLPH HABER, BUYER
AND PORTLAND GENERAL ELECTRIC COMPANY, SELLER**

This Addendum relates to the above-referenced agreement (the "Sale Agreement") and relating to that certain real property located at 3231 SE Yamhill Street, Portland, Multnomah County, Oregon 97214 (the "Property"). This Addendum supplements and supersedes said Sale Agreement and, except as specifically modified herein, the Sale Agreement remains unmodified and in full force and effect. For value received, the parties hereby agree as follows:

1. **Parties.** Buyer is Jon Randolph Haber. Seller is Portland General Electric Company, an Oregon Corporation. Seller's authorized representative is Mike Livingston.

2. **Purchase Price.** Purchase Price is Three Hundred Thirty Thousand Dollars (\$330,000.00).

3. **Escrow.** Escrow shall be Chicago Title Insurance Company, 1211 SW 5th Avenue, Suite 2130, Portland, Oregon 97204; Attn: Kelly Norton. All references to "Escrow" or to any other title company escrow agent in the Sale Agreement, including without limitation the Promissory Note For Earnest Money, shall be deemed to refer to Chicago Title Insurance Company.

4. **Due Diligence; Buyer Contingencies.** Buyer acknowledges receipt of Seller's Property Disclosure Statement. Buyer shall have ten (10) business days following mutual acceptance hereof (but in no event later than 4:00 pm [Prevailing Portland time] on the 27th day of January, 2015), to complete all due diligence with regard to the Property (inspections, utilities, zoning, environmental, review of title, historic status, and the like) and to confirm in writing to Seller that there are no Objections to the Title Report or CC&Rs (if any). Buyer shall complete Buyer's financing qualification and property inspection and appraisal process and waive Buyer's contingency regarding Buyer and the Property qualifying for financing within fifteen (15) business days following mutual acceptance hereof (but in no event later than 4:00 pm [Prevailing Portland time] on the 3rd day of February, 2015). Failure of Buyer to inform Seller in writing within the above-defined time-period shall be deemed to be failure to satisfy/waive Buyer's Contingencies (conditions precedent). If Lender's appraisal is less than the Purchase Price, Buyer shall pay the difference the amount the lender is willing to lend and the Purchase price to close the transaction, not to exceed the lesser of the sum of Five Thousand Dollars (\$5,000.00) or the Purchase Price.

5. **Seller Contingencies.** The Parties acknowledge that Seller's sale of the Property requires the approval of the Oregon Public Utility Commission ("OPUC"). Seller reserves the right to continue to market the Property and to solicit other offers to purchase the Property subject to the existence of this Sale Agreement. Seller shall request OPUC approval at such time as Seller deems it appropriate to do so and thereafter shall pursue such approval with commercially reasonable diligence; provided, however, Seller shall not be obligated to submit an application for approval of this transaction to the OPUC until such time as Buyer has completed Buyer's due diligence and waived Buyer's contingencies regarding inspections and regarding the qualification of the Buyer and the Property for financing. Seller shall not have any liability for any delay associated with the OPUC process and Buyer is advised to maintain as much flexibility as possible with respect to Buyer's financing.

5.1 Seller's obligation to sell the Property is subject to and conditioned upon the satisfaction of the following conditions precedent. These conditions are intended solely for Seller's benefit and Seller shall have the right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived on or before Closing, or other date as set forth herein, Seller shall have the right to terminate the Sale Agreement without further obligation to Buyer or any person or entity claiming by or through Buyer.

5.1.1 Seller receiving the written approval of the sale by the OPUC upon terms and conditions acceptable to Seller on or before the 24th day of March, 2015; and

5.1.2 Seller receiving the approval of the sale by Seller's Senior Management on or before the 12th day of March, 2015.

Failure of Seller to inform Buyer in writing within the above-defined time-period shall, at Seller's option, be deemed to be failure to satisfy/waive Seller's Contingencies (conditions precedent).

5.2 In the event any of the conditions set forth herein or in the Sale Agreement are not timely satisfied or waived by Seller, then at Seller's option: (1) the Sale Agreement, the escrow, and the rights and obligations of Buyer and the Seller shall terminate, except as otherwise provided herein; and (2) the Escrow Holder is hereby instructed to promptly return to the Seller and Buyer all funds and documents deposited by them, respectively, in escrow that are held by the Escrow Holder on the date of the termination.

Initials
Buyer Seller

6. **Closing/Prorations/Deed.** Seller and Buyer shall be prepared to close this transaction on the 18th day of March, 2015, or within ten (10) business days following the waiver or satisfaction by Seller of the last of the Seller Contingencies, whichever occurs last, or such other date as Seller and Buyer may mutually agree upon. Real property taxes for the Property shall be prorated as of the Closing Date. The Parties understand and agree that property taxes on Seller's property interests are centrally assessed and that the Title Company shall make a reasonable allocation thereof to the Property for proration purposes as of Closing. Seller makes no representation or warranty with respect to the impact of this transaction on the valuation of the Property for property tax purposes. Any taxes or additional penalties that would be due as a result of removal of any of the Property from any tax deferral or special use assessment program will be paid by Buyer, and Buyer shall hold Seller therefrom. Seller shall convey the Property to Buyer by Seller's standard form Warranty Deed.

7. **AS IS.** The Property and all aspects thereof will be conveyed by Seller and accepted by Buyer in its present condition, "AS IS", "WHERE IS" and "WITH ALL FAULTS" (including without limitation all matters referenced in Section 15.1 of the Sale Agreement) based solely on Buyer's own inspection, with all limitations and faults, latent and patent, known or unknown, without any representation or warranty, express or implied, of any type or nature, and expressly subject to covenants, encumbrances, exceptions, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey. Seller will not be obligated to make any repairs, improvements, or modifications to the Property, grant any credits against or reduce the Purchase Price in any fashion. Seller reserves the right to perpetually operate, maintain, repair, and upgrade Seller's utility equipment and facilities in their existing locations on or about the Property in accordance with Seller's operational, safety and security standards, as may be amended, along with reasonable access thereto. All representations of Seller are limited to the current actual knowledge of Seller's Representative, Mike Livingston. Buyer acknowledges and agrees that, due to the age of the improvements on the Property, there is likelihood that mold, asbestos and/or lead-based paint may be present on the Property and the Property may not be in compliance with applicable regulations, codes, or the like. Seller reserves to self-insure any and all insurance obligations related to the Property.

8. **Mortgage Indenture.** Notwithstanding anything to the contrary contained herein, the Parties understand and agree that the Property is encumbered by that certain Indenture of Mortgage and Deed of Trust dated July 1, 1945, as supplemented, modified and/or replaced in whole or in part, and in effect from time to time from Portland General Electric Company to HSBC Bank USA (f/k/a) Midland Bank, N.A., and/or its successor or assigns (the "Mortgage Indenture"). The lien of the Mortgage Indenture will be released subsequent to Closing; however, prior to Closing Seller will cause the Title Company to remove the interest as an exception to the insured title obtained by Buyer. The lien of the Mortgage Indenture shall be a Permitted Exception until such time as it is released from the Property.

9. **Deletions.** The following provisions are stricken from the Sale Agreement in their entirety:

- 9.1 Section 4 [Lines 112 - 114 of the Sale Agreement relating to Seller's payment of closing costs;
- 9.2 Section 12(4) [Line 187 of the Sale Agreement] relating to defects on the Property;
- 9.3 Section 12(10) [Line 198 of the Sale Agreement] relating to insurance on the Property; and
- 9.4 Section 30.1 [Lines 351 - 361 of the Sale Agreement] relating to property taxes on the Property.

10. **Interpretation.** Capitalized terms not defined herein shall have the same meaning as set forth in the Sale Agreement. References herein to the Sale Agreement shall include this Addendum, except where the context otherwise requires.

11. **Remedies.** NOTWITHSTANDING ANYTHING ELSE CONTAINED HEREIN, IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR TO ANY OR ANY PERSON OR ENTITY CLAIMING BY OR THROUGH BUYER FOR ANY LOST OR PROSPECTIVE PROFITS OR ANY OTHER SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL OR INDIRECT LOSSES OR DAMAGES (IN TORT, CONTRACT OR OTHERWISE) UNDER OR IN RESPECT OF THIS AGREEMENT OR FOR ANY FAILURE OF PERFORMANCE RELATED HERETO HOWSOEVER CAUSED, WHETHER OR NOT ARISING FROM THE SOLE, JOINT OR CONCURRENT GROSS NEGLIGENCE OF SELLER OR BUYER.

The effective date of this Addendum shall be the date of the last signature note below.

SELLER:

BUYER:

PORTLAND GENERAL ELECTRIC COMPANY

By: Mike Livingston
Mike Livingston, Manager Property Services

Jon Randolph Haber
JON RANDOLPH HABER

Date: 1/12/15

Date: 1/12/2015

**SECOND ADDENDUM TO PURCHASE AND SALE AGREEMENT AND
RECEIPT FOR EARNEST MONEY
DATED JANUARY 6, 2015 BETWEEN JON RANDOLPH HABER, BUYER
AND PORTLAND GENERAL ELECTRIC COMPANY, SELLER**

This Second Addendum relates to the above-referenced agreement and all addenda thereto (cumulatively the "Sale Agreement") and relating to that certain real property located at 3231 SE Yamhill Street, Portland, Multnomah County, Oregon 97214 (the "Property"). This Second Addendum supplements and supersedes said Sale Agreement and, except as specifically modified herein, the Sale Agreement remains unmodified and in full force and effect. For value received, the parties hereby agree as follows:

1. **Due Diligence; Waiver of Buyer Contingencies.** Buyer has completed Buyer's due diligence and inspections and Buyer has waived Buyer's contingencies regarding the condition of the Property, Buyer and the Property qualifying for financing, and all other conditions to Closing; save and except the obligation of Seller to deliver marketable title.

2. **Seller Contingencies.** Seller's obligation to sell the Property remains subject to and conditioned upon the satisfaction of the following conditions precedent. These conditions are intended solely for Seller's benefit and Seller shall have the right and discretion to waive, by written notice, any of the conditions. In the event any condition is not satisfied or waived in writing on or before Closing, or other date as set forth herein, Seller shall have the right to terminate the Sale Agreement without further obligation to Buyer or any person or entity claiming by or through Buyer.

2.1.1 Seller receiving the written approval of the sale by the OPUC upon terms and conditions acceptable to Seller on or before the 24th day of March, 2015; and

2.1.2 Seller receiving the approval of the sale by Seller's Senior Management on or before the 27th day of March, 2015.

Failure of Seller to inform Buyer in writing within the above-defined time-period shall, at Seller's option, be deemed to be failure to satisfy/waive Seller's Contingencies (conditions precedent).

3. **Closing.** Seller and Buyer shall be prepared to close this transaction on the 31st day of March, 2015, or within ten (10) business days following the waiver or satisfaction by Seller of the last of the Seller Contingencies, whichever occurs last, or such other date as Seller and Buyer may mutually agree upon.


The effective date of this Second Addendum shall be the date of the last signature note below. Except as expressly modified herein, all the terms and provisions of the original Sale Agreement shall remain in full force and effect.

The effective date of this Second Addendum shall be the date of the last signature note below.

SELLER:
PORTLAND GENERAL ELECTRIC COMPANY

By: 
Mike Livingston, Manager Property Services

Date: 1/27/15

BUYER:

JON RANDOLPH HABER

Date: 1/27/2015

**PGE PROPERTY
3231 SE YAMHILL STREET
PORTLAND, OREGON 97214**

**REAL PROPERTY
CONSULTANTS**

PORTLAND
SALEM
MEDFORD
KLAMATH FALLS

Each office is independently owned and operated

REAL PROPERTY
CONSULTANTS

P O R T L A N D

4805 SW OLESON ROAD • PORTLAND, OREGON 97225

503/297-9046

January 22, 2015

Mike Livingston
Manager, Property Services
Portland General Electric
121 SW Salmon Street
1 WTC-0401 (World Trade Center)
Portland, OR 97204

Re: PGE Property
3231 SE Yamhill Street
Portland, OR 97214
RPC File 14-076-R1

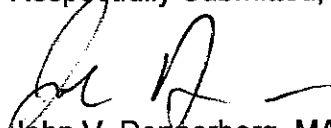
Dear Mr. Livingston:

In accordance with your request, I have completed an appraisal to estimate the Market Value of the above-referenced property. It is my opinion, based on an investigation and analysis of the available data, that the subject property value as of August 7, 2014, is:

**THREE HUNDRED THOUSAND DOLLARS
(\$300,000)**

This report was developed as a Complete Appraisal and presented as a Summary Appraisal Report. This report is intended to comply with the Uniform Standards of Professional Appraisal Practices of the Appraisal Standards Board. This report is also in compliance and subject to the requirements to the Code of Professional Ethics and Standards of Professional Conduct of the Appraisal Institute. The value reported is subject to all Assumptions and Limiting Conditions presented in this report. This appraisal was developed to be used during the course of future property disposal negotiations. Any other use of this report without written permission from the appraiser is prohibited.

Respectfully Submitted,



John V. Donnerberg, MAI
Oregon Certification No. C000554

JVD:lb

REAL PROPERTY CONSULTANTS, INC.

AFFILIATE OFFICES:

Real Property Consultants Portland

Real Property Consultants Salem

Real Property Consultants Medford

Real Property Consultants Klamath Falls

Each office is independently owned and operated.

TABLE OF CONTENTS

	<u>Page</u>
LETTER OF TRANSMITTAL	
SUMMARY OF SALIENT FACTS AND CONCLUSIONS.....	1
ASSUMPTIONS AND LIMITING CONDITIONS.....	2
GENERAL CONSIDERATIONS.....	4
SCOPE OF THE APPRAISAL	6
NEIGHBORHOOD DESCRIPTION	7
GENERAL PROPERTY INFORMATION	8
SITE DESCRIPTION	10
IMPROVEMENT DESCRIPTION.....	12
HIGHEST AND BEST USE	15
VALUATION COMMENTS.....	16
SALES COMPARISON APPROACH.....	17
CERTIFICATION	22

ADDENDA

Photographs of Subject Property
Assessor Map
Site Map
Zone Map
Improvement Diagram
Comparable Improved Sales Map

Comparable Improved Sales Data Sheets
Metroscan Profile
City Data
Zoning Information
Qualifications of the Appraiser

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Owner	Portland General Electric Company 121 SW Salmon Street 1 WTC-0401 (World Trade Center) Portland, OR 97204	
Property Address	3231 SE Yamhill Street, Portland, Oregon 97214	
Legal Description	Multnomah County Parcel 1S-1E, Section 1BA, Tax Lot 4600, also known as Parcel R280577.	
Site Size	3,333 square feet per Multnomah County Assessor's office	
Zoning	R-2.5, City of Portland	
Improvements	The subject property is improved with a 1,455 square foot single family residence built in 1902.	
Highest and Best Use	As improved	
Value Estimates	Cost Approach	N/A
	Sales Comparison Approach	\$300,000
	Income Capitalization Approach	\$N/A
	Value Conclusion	\$300,000
Date of Inspection	August 7, 2014	
Date of Value	August 7, 2014	
Date of Report	January 22, 2015	

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ASSUMPTIONS AND LIMITING CONDITIONS

General

1. The property description used in this report is assumed to be reasonably correct.
2. No survey of the property has been made by the appraiser, and no responsibility is assumed in connection with such matters. Maps in this report are included only to assist the reader in visualizing the property. Property dimensions and size should be considered as approximate.
3. No responsibility is assumed for matters of a legal nature affecting title to the property, nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information furnished by others is assumed to be true, correct and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
7. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. No environmental impact studies were either requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research, or investigation.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.

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9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
10. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
11. The appraiser will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made therefore.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with properly written qualification and only in its entirety.
13. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales, or any other media without written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
14. The liability of the appraiser, his employees and subcontractors is limited to the initial employer (client) only, and only up to the amount of the fee actually received for the assignment. Further, there is no accountability, obligation, or liability to any third party. If the appraisal report is placed in the hands of anyone other than the initial employer, the initial employer shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency (if any) in the property.
15. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing assumptions and limiting conditions.

GENERAL CONSIDERATIONS

Date of Inspection

August 7, 2014

Date of Value

August 7, 2014

Date of Report

January 22, 2015

Exposure Time

The value estimated for the subject assumes an exposure time of 60 to 90 days. This time period has been estimated based on an analysis of competing property marketing periods.

Property Rights Appraised

The property rights appraised constitute the fee simple interest of all future benefits that may be derived from the property's present or possible future use.

Purpose of Appraisal

The purpose of this appraisal is to estimate the Market Value of the subject property. In arriving at an appropriate market value conclusion, the appraiser has taken into consideration the unusual ownership status of the subject property. In this instance, the property is owned by Portland General Electric (PGE). PGE has limited capability to make repairs or negotiate credits for necessary repairs when dealing with potential property purchasers. Given the poor condition of the subject property, this diminishes the ability of buyers to obtain conventional financing. This will be discussed in further detail later in the report.

Intended Use

The intended use of the appraisal is to assist the client in establishing an appropriate list price for the property. The subject property represents a surplus parcel that the client may dispose of in the future.

Client and Intended User

The client is Mike Livingston of the Portland General Electric Company. The intended user includes all agents and assigns associated with the Portland General Electric Company.

Reporting Option

This report was developed as an appraisal report as defined in the 2014-2015 version of USPAP.

Definition of Market Value

Market Value is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current economic definition agreed upon by agencies that regulate federal financial institutions in the United States of America is:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.”
“Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars, or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

REAL PROPERTY CONSULTANTS

SCOPE OF THE APPRAISAL

The scope of the appraisal assignment includes a physical inspection of the subject property and a review of the surrounding neighborhoods. The City of Portland Zoning Code was researched in order to ascertain allowable uses for the subject property. The location and/or availability of utilities were confirmed with municipal jurisdictions, utility companies, and/or property owners.

Comparable sales were researched through County records, CoStar Comps, Metroscan, RMLS, and other professional resources. The sales utilized in this report were personally inspected by John V. Donnerberg.

An onsite inspection of the subject property occurred on August 7, 2014. The appraiser was accompanied by Rick Beckensten of Portland General Electric. Subsequent to the inspection and initial report preparation, the appraiser was provided cost estimates related to several necessary repairs associated with the subject property. This information was not available prior to the initial appraisal dated August 14, 2014. Accordingly, that original appraisal document has been revised, taking into account the newly provided cost and repair information.

All comparable sales data was confirmed via buyer or seller. If these individuals were unable, reliable third party sources such as brokers were contacted in an effort to ensure the accuracy of the information.

NEIGHBORHOOD DESCRIPTION

The subject property is located in the Belmont neighborhood of southeast Portland. Neighborhood schools include Sunnyside Environmental School (K-8) and Franklin High School. The neighborhood has convenient access to the downtown Portland Central Business District via a variety of potential surface routes. The neighborhood has access to the Interstate 84 freeway located approximately one mile north of the subject.

Neighborhood parks and open spaces include the nearby Laurelhurst Park and Mt. Tabor Park. Shopping and commercial services are located throughout the neighborhood. Primary retail districts include the nearby Belmont and Hawthorne corridors. Other retail corridors also include the Burnside Street and Stark Street areas.

The neighborhood is characterized by a variety of building styles and uses. The neighborhood was originally developed in the early 1900s with predominant building ages in excess of 50 years. In the immediate vicinity of the subject, typical neighborhood uses include a variety of single and multi-family buildings with commercial structures located along the arterial transportation routes. Overall, the subject neighborhood is well situated in relation to the City of Portland's Central Business District. The neighborhood has ready access to all necessary neighborhood amenities such as shopping and retail services. Additional development activity is limited to a small number of in-fill opportunities due to the previously established nature of the neighborhood.

GENERAL PROPERTY INFORMATION

Owner

Portland General Electric Company
121 SW Salmon Street
1 WTC-0401 (World Trade Center)
Portland, OR 97204

Property Address

3231 SE Yamhill Street, Portland, Oregon 97214

Legal Description

Multnomah County Parcel 1S-1E, Section 1BA, Tax Lot 4600, also known as Parcel R280577.

Assessment Data

Multnomah County does not maintain specific assessment records relative to the subject property due to its ownership by a public utility.

Zoning

The subject property is zoned R-2.5 under the jurisdiction of the City of Portland. Although the zone is classified as a single family residential zone, it allows for duplex construction activity with up to two dwelling units per 5,000 square foot parcel. Setback requirements in the zone call for front yard setback of 10 feet, a side yard setback of 5 feet, and a rear yard setback of 5 feet. The property must maintain an 18 foot setback adjacent to garage entrances. The zone calls for a minimum outdoor area of 200 square feet.

The subject property appears to be in conformance with the current property zoning.

Site Area

The subject property includes a total area of 3,333 square feet, according to Multnomah County Assessor's office information. No physical encumbrances were visible at the time of inspection; however, a portion of the existing fence structure appears to be located on the adjacent PGE ownership near the east property boundary.

Existing Use

The subject property is improved with a 1,455 square foot single family residence built in 1902.

Sale and Listing History

There have been no recent transactions involving the subject property. The parcel is currently vested on Multnomah County Document 1158-0028. The subject has been actively marketed by Corie Gosse of John L. Scott brokers since May 14th 2014. The property had an initial asking price of \$360,000. Ms. Gosse reports that the property received a high volume of visits from potential buyers at that price, however, no viable offers were received. PGE lowered that asking price to \$330,00 on August 28th, 2014. This resulted in additional market attention and multiple offers, but several buyers backed out of potential transactions due to negative home inspection reports indicating the need for several expensive repairs discussed later in this report. The necessary repairs are causing difficulty in obtaining conventional financing, according to Ms. Gosse.

Inspection

The subject property was inspected by the appraiser on August 7, 2014. The date of inspection establishes the date of value for the appraisal.

SITE DESCRIPTION

The subject property consists of a rectangular parcel of land situated along the north side of SE Yamhill Street. The level parcel has dimensions of approximately 100 feet deep by 33 feet wide.



The City of Portland map documentation indicates that the property is connected municipal water. Sanitary Sewer is located within the adjacent street right of way.

The north boundary of the property is located adjacent to a PGE substation facility. Although the facility has some screened fencing, the facility is highly visible and represents a negative property attribute. The rear of the subject property is informally landscaped and is in poor condition. The subject parcel sits roughly at grade with the adjacent PGE facility. Some of the visual impact of the adjacent transformer facility could be mitigated with landscaping materials and other screening efforts. The facility itself does not represent an overly disruptive property use. The facility was observed to be relatively quiet at the time of inspection. Conversations with a neighboring property owner to the west indicate that the substation facility is a relatively benign neighboring property use. In that regard, the facility represents a primarily visual impact, which

REAL PROPERTY CONSULTANTS

could potentially be mitigated with effective landscaping and other visual screening efforts. As the property is currently situated, rear landscaping is in poor condition and will need significant efforts to restore a more acceptable visual appearance.

The subject property shares a narrow concrete driveway surface with the neighboring parcel to the west. The driveway entrance has a curb cut near the shared property line along SE Yamhill Street. Although narrow, the driveway could provide small vehicle access to the rear portions of the property. The site was previously improved with a small garage structure as evidenced by an existing concrete pad near the north boundary of the site. The concrete pad appears to be in adequate condition and could conceivably accommodate a future garage or shed type structure. The fencing in the vicinity of the subject's backyard is in poor condition and in need of significant repairs or replacement. The front portion of the property has a small lawn area. Other landscaping consists of a minimal number of trees and small shrubs.

The appraiser was not provided a preliminary title report in conjunction with the assignment. Thus, a specific review of potential property encumbrances has not been made. No physical encumbrances were visible at the time of inspection.

IMPROVEMENT DESCRIPTION

The subject improvements consist of a single family residence constructed in 1902. The building has a total finished area of 1,455 square feet. The structure also includes an 867 square foot unfinished basement as well as an unfinished attic area. The structure is situated on the south two-thirds of the property and makes use of a shared concrete driveway with the neighboring parcel to the west.

Exterior

The home has a variety cedar lap and cedar shake siding. The building has a newer roof and gutter system and is situated on a concrete foundation.

The exterior siding material is in need of significant maintenance. The building's paint is cracking and has reached the end of its physical lifespan. Most of the windows appear to be original installations; however, there are storm windows at various locations in addition to the main windows. The foundation appears stable; however, there are several smaller cracks visible within the basement. Evidence of water intrusion is noted along the walls and floor areas in the basement. Cracking and water intrusion are typical in buildings of this age. Overall, the exterior surfaces are in serviceable condition; however, they are in need of cosmetic maintenance.

The front porch is accessed via a wood-framed stair case. The home's wood burning fireplace has a newer chimney, which appears to have been installed in the past several years.

The home has poorly maintained landscaping. Landscaping in the rear yard is in particularly poor condition and will likely need to be re-established by any future purchaser of the home.

The shared driveway leads to a concrete pad, which appears to have formerly accommodated a small garage structure. The concrete pad may be salvaged during the course of future garage construction; however, at this time the former garage pad represents a concrete parking surface.

The home has cedar fencing along the east boundary. The north boundary of the site makes use of an adjacent chain link fence maintained by Portland General Electric. The property has an open area to the east; however, much of this appears to be owned by Portland General Electric and is occupied by a series of overhead power transmission lines. Nonetheless, the subject property enjoys the use of this open area on an informal basis.

Interior

The subject building has finished interior living area on both the first and second floors. The second floor also includes an area of unfinished attic, which has not been calculated in the overall livable area noted above. This unfinished space would make a likely candidate for future renovation into a more livable space.

The main floor includes the home's living room, dining room, kitchen and bathroom. The main floor also has one of the home's three bedroom areas. The living room has a high level of finish detail, including a variety of stained wood work and built in cabinetry. The living room has a wood burning fireplace with stained wood mantel.

Wall surfaces throughout the main floor consist of painted lath and plaster. The quality of the paint varies from room to room. The bedroom area is in need of significant renovation. Former occupants have removed portions of the wall paper in this area. Partially deconstructed bookshelves are situated in the bedroom. These items are in poor condition and would likely be removed by any future building occupants. The home maintains a high level of finished detail throughout several areas. Much of this molding and trim work is in relatively good condition and could be salvaged with a moderate level of effort. Floors throughout the main floor consist primarily of stained hardwood surfaces except for the bedroom, kitchen and bathroom areas. The bedroom on the main floor has an unfinished subfloor. It appears this room formerly had carpeted floor covering, which has been recently removed.

The home's only bathroom is situated on the main floor. The bathroom includes dated vinyl floor covering and an original claw foot bathtub. The home has an older, free standing vanity and painted lath and plaster walls. The tub has a shower fixture; however, it lacks a formal shower or wainscoting surround, which would be desired by most property purchasers.

Lighting fixtures throughout the main floor consist of a limited number of incandescent fixtures. Electrical service throughout the home is limited; however, evidence of newer circuitry is noted.

The kitchen is sparsely finished with dated plumbing fixtures and older cabinetry. The kitchen has a free standing range oven and no hood fan. Lighting in the kitchen is provided by a dilapidated fluorescent fixture, which would be considered substandard by most market participants. Much of the cabinetry lacks the original doors and hardware. The flooring in the kitchen consists of a linoleum type surface. Overall, the kitchen is substandard when compared with typical competing properties. Most typical market participants would consider the kitchen facilities substandard and in need of significant renovation.

The second floor is accessed via a typical stairwell. The walls in the stairwell have been damaged with areas of missing plaster. This portion of the home is in need of plaster repairs and new paint.

REAL PROPERTY CONSULTANTS

The upper floor accommodates two bedrooms. Each of the bedrooms has stained softwood flooring and painted lath and plaster walls.

The basement of the home accommodates a forced-air gas furnace and newer gas water heater. The basement also has laundry hook-ups and laundry sink. The basement is accessed via a narrow, wood-framed stair case. Approximately 1/3 of the total basement area of 867 square feet consists of a dirt floor area. The dirt floor portion of the basement has a heating oil tank, which may or may not contain residual oil from a former heating system. Most typical purchasers of the property would attempt to remove the oil tank, if not confirm that the tank has been drained of any residual heating oil. The appraiser was unable to determine if the tank contained any oil; however, this would be seen as a negative value influence under any circumstance. The home's electrical panel is located in the panel. The panel has a 100 amp capacity. There are several newer circuits extending from the circuit panel. Overall, the electrical capacity of the home is substandard. The appraiser has not attempted to identify the capability of the existing circuitry; however, the availability of outlets throughout the home is limited and would likely be considered substandard by most market participants.

Necessary Repairs and Substandard Improvement Conditions

This appraisal consists of a revision of a report originally dated August 14, 2014. The purpose of this revision is to account for necessary repairs, which have come to light since the earlier property inspection. The property has been actively marketed at the current price of \$330,000 since August 2014. Several credible offers have been made on the subject property. Several potential purchasers have commissioned home inspections and cost estimates to repair identified improvement deficiencies. The property was identified in my earlier appraisal as being in relatively poor condition; however, the home inspection reports and associated cost estimates have exceeded my initial estimate of the building's poor condition.

Substantial deficiencies include the need for repairs to the structure's foundation, and the need to remove unsafe electrical service, replacing it with modern circuitry. Given the substantial deficiencies, the listing agent indicates that conventional financing may not be feasible for most potential property purchasers. The building deficiencies, combined with PGE's limited ability to negotiate repair costs, have resulted in the need for this revised appraisal analysis. The specific cost of the necessary repairs will be discussed in the following adjustment discussion.

Summary

Overall, the home is in substandard condition with respect to its overall lack of maintenance. In addition to more cosmetic issues, the home has faulty electric wiring, failing foundation materials, and a variety of cosmetic deficiencies. Exterior areas of the property have fallen into disrepair with major deficiencies including a lack of landscape maintenance and exterior paint. An additional detractor to the home's value is its proximity to the adjacent Portland General Electric substation facility. This will be addressed in the following valuation discussion.

HIGHEST AND BEST USE

The Highest and Best Use is defined as: The reasonable and probable use that supports the highest present value of vacant land or improved property as of the date of appraisal. As defined, the Highest and Best use must be reasonably probable, legally and physically possible, as well as financially feasible.

A complete Highest and Best Use discussion requires consideration of the six major influences detailed under USPAP 1-3 (a).

1. Existing land use regulations.
2. Probability for modification of land use regulations.
3. Economic demand.
4. Physical adaptability of the real estate.
5. Neighborhood trends.
6. Highest and Best Use of the real estate.

The Highest and Best Use analysis must begin under assumption that the land is vacant and available for development to its Highest and Best Use. Under standard appraisal rules, the analysis must be developed to "recognize that land is appraised as though vacant and available for development to its Highest and Best use and that the appraisal of improvements is based on their actual contribution to the site". (USPAP 1-3 (b))

In the case of the subject property, the existing improvements are in serviceable condition. The building occupies a significant portion of the relatively small site. The existing improvements maximize the zoning potential of the property. Accordingly, the highest and best use of the subject is as improved.

VALUATION COMMENTS

There are three classic approaches, which can be used in estimating a value for a given parcel of real estate. These methods are the Sales Comparison Approach, the Income Capitalization Approach and the Cost Approach.

The Sales Comparison Approach is a method whereby the value for a given property is estimated through a comparison process with other similar properties, which have recently sold. The sale prices are adjusted for differences including the element of time, physical characteristics, and condition. The Sales Comparison provides a reliable value indication given the availability of adequate sales data.

The Cost Approach is a method whereby the replacement cost of the improvements is estimated. The estimated cost new is then charged for depreciation including physical deterioration, plus functional and economic obsolescence. The value of the underlying site is then added to this figure, resulting in an overall value indication for the property being appraised. The subjectivity of the depreciation estimate tends to increase with the age of the improvements. The Cost approach is therefore most reliable when dealing with newer properties.

The final method is the Income Capitalization Approach. This method is generally applicable to commercial and investment properties, which are capable of producing a rental income. This process first involves the estimation of the economic rent the property is capable of producing. The appropriate expenses are then deducted, resulting in an estimate of net operating income. The income is then capitalized with an overall rate, resulting in the final value estimate.

In the case of the subject property, the Sales Comparison Approach is deemed most applicable method of valuation and has been the only method considered in the following analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is an appraisal method whereby the subject property is compared with other similar properties based on a common unit of comparison. In this light, the appraiser has searched the close-in southeast Portland market for comparable single family residential properties. Of the available data, the following transactions were helpful in this regard:

FEATURE	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3	COMPARABLE SALE #4				
Address	3231 SE Yamhill Street Portland, OR 97214	934 SE 32nd Ave Portland, OR 97214	819 SE 16th Ave Portland, OR 97214	1524 SE 35th Ave Portland, OR 97214	3800 SE Woodward Street Portland, OR 97214				
Proximity to Subject									
Sale Price	\$ N/A	\$ 307,000	\$ 320,000	\$ 357,000	\$ 345,000				
Sale Price/Gross Liv. Area	\$ 0.00 sq ft	\$ 251.64 sq ft	\$ 185.40 sq ft	\$ 184.12 sq ft	\$ 272.94 sq ft				
Data Source(s)	RMLS, County	RMLS, County	RMLS, County	RMLS, County	RMLS, County				
Verification Source(s)	Inspection	Owner interview	Agent	Agent	Owner interview				
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment	DESCRIPTION	+(-)\$ Adjustment		
Sale or Financing	Cash	Conventional		Conventional		Conventional			
Concessions	N/A	None		N/A		N/A			
Date of Sale/Time	2/7/2014	2/22/2013	+42,980	11/14/2013	+38,400	12/18/2013	+32,130	6/6/2014	+6,900
Location	Residential	Residential		Residential		Residential		Residential	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Site	3,333SF	3,333SF		3,000SF	+3,330	5,750SF	-24,170	4,000SF	-9,570
View	Substation	Substation		Quiet St. (.5%)	-16,000	Lot & Cell tower		Quiet St. (.5%)	-17,250
Design (Style)	Old PDX	1.5 Story		4 square		4 square		1.5 Story	
Quality of Construction	Average	Average		Average		Average		Average	
Actual Age	112	111		105		107		122	
Condition	Below average	Average	-20,000	Average	-20,000	Average	-20,000	Average	-20,000
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths		Total Bdrms Baths	
Room Count	6 3 1.00	6 3 1.00		6 3 2.50		7 4 1.50		7 4 1.00	
Gross Living Area	1,455 sq ft	1,220 sq ft	+11,750	1,728 sq ft	-13,550	1,839 sq ft	-24,200	1,284 sq ft	+9,550
Basement & Finished Rooms Below Grade	667 Unfinished	792SF Unfinished		768SF Unfinished		912 Unfinished		964 Unfinished	
Functional Utility	Average	Average		Average		Average		Average	
Heating/Cooling	Gas F/A	Zonal	+2,500	Gas F/A		Gas F/A		Oil	+2,500
Energy Efficient Items	Average	Average		Average		Average		Average	
Garage/Carport	None	None		None		None		1-Car Detached	-5,000
Porch/Patio/Deck	Porches	Porches		Porches		Porches		Porches	
Foundation Repair	Cracked Concrete	None	-14,200	None	-14,200	None	-14,200	None	-14,200
Electrical Repair	Unsafe power	None	-3,200	None	-3,200	None	-3,200	None	-3,200
Net Adjustment (Total)		X - -	\$ 19,830	X - -	\$ -25,220	X - -	\$ -59,640	X - -	\$ -47,370
Adjusted Sale Price of Comparables		Net Adj: 6% Gross Adj: 31%	\$ 326,830	Net Adj: -9% Gross Adj: 34%	\$ 294,780	Net Adj: -15% Gross Adj: 33%	\$ 303,360	Net Adj: -14% Gross Adj: 25%	\$ 297,630

DISCUSSION

Sale No. 1 – 9347 SE 32nd Avenue, \$307,000, February 22, 2013 – This transaction involves a 1,220 square foot single family residence located at the corner of SE 32nd Avenue and SE Yamhill Street. The home is situated adjacent to a Portland General Electric substation facility, which reportedly had some negative influence on the value of the property. The home had three bedrooms and one bath as well as a 792 square foot unfinished basement. The building was built in approximately 1903. The home included a newly remodeled kitchen as well as a remodeled bath. The interior had been recently painted and included finished hardwood floors. The property was sold by Portland General Electric as surplus. The building had electric zonal heating and gas water heater. The property was listed for approximately 28 days on the market prior to the indicated transaction date.

Conversations with the seller's representative indicated that the transaction involved a cash consideration. The listing agent indicated that the PGE ownership status caused some difficulty in marketing the property due to the need for PUC review and approval prior to closing the sale. The property has a total land area of 3,333 square feet with overall dimensions of 100 feet by 33.33 feet. The site enjoyed the benefit of an adjacent vacant parcel, also owned by PGE. While the adjacent parcel is still owned by PGE, the buyer of the home indicated that the adjacent open area was seen as a positive in this instance. Conversations with the buyer indicate that portions of the home were in need of maintenance and renovation; however, the new kitchen and bathroom were seen as a positive. The exterior of the home has recently been painted subsequent to the purchase. The buyer indicated that several siding repairs were made during the refinishing of the exterior. The home had a newer roof at time of sale.

Sale No. 2 – 819 SE 16th Avenue, \$320,000, November 14, 2013 – This transaction involves a two story single family residence situated on a 3,000 square foot lot. The interior site was located along a quiet residential street situated between SE Morrison Street and SE Belmont Street. The four-square style structure included a total finished area of 1,726 square feet. The building includes three bedrooms and 2 ½ baths. The home was built in approximately 1908 and had seen adequate maintenance since its original construction date. The home had well maintained interior surfaces and included a newer kitchen and bathroom. The structure also included a 768 square foot unfinished basement. The home has a gas forced air furnace and electric water heater. The property was listed for approximately 26 days on the market and included a conventionally financed loan with cash consideration to the seller.

Sale No. 3 – 1524 SE 38th Avenue, \$357,000, December 18, 2013 – This transaction involves a 1,939 square foot two story single family residence situated on a 5,750 square foot lot one parcel south of SE Hawthorne Blvd. The property is located adjacent to a commercial use. The adjacent restaurant has a paved parking area, trash enclosure and cellular transmission tower. The commercial use and cell tower are seen as negative influences in this instance. Overall, the property was relatively well maintained and included a newer kitchen as well as nicely finished interior surfaces. The property included a concrete driveway for off-street vehicle storage. At the time of inspection, the property was being improved with a detached garage and apartment to

REAL PROPERTY CONSULTANTS

the rear of the existing residence. Terms of the transaction involved a conventionally financed loan with cash to the seller. The property was listed for approximately 46 days prior to the indicated closing date.

Sale No. 4 – 3800 SE Woodward Street, \$345,000, June 6, 2014 – This transaction involves a 1,264 square foot single family residence located on a quiet residential street. The parcel includes a total land area of 4,000 square feet. The building was constructed in approximately 1892. The building also includes an 864 square foot basement and small detached garage. Conversations with the buyer indicate that the home was in need of some maintenance; however, the building included a newer kitchen and bathroom installation. The interior of the home had recently refinished hardwood floors and a wood burning fireplace. The home sold after being listed for only two days on the market. Conversations with the buyer indicated that there were multiple offers on the property resulting in the indicated sale price at approximately \$10,000 above the list price. The building includes four bedrooms and one bath.

ADJUSTMENTS

Terms

Conversations with the parties involved with the above transactions indicate cash equivalent considerations for each sale. Sale 1 involved a cash consideration. Parties related to the sale indicate that the ownership by PGE prior to the transaction was seen as a negative influence in the ability to conduct a timely closing. The broker in this transaction suggested that the delay and approval process, required by Portland General Electric, was seen as a negative influence due to the requirement for PUC approval and extended time period required for closing. While this does not directly correlate to a need for cash equivalency adjustments, it has been considered in the following value conclusion.

Time

The appraiser has referenced the Portland area RMLS statistics with respect to potential market appreciation over the time frame associated with the comparable data. RMLS indicates appreciation rates for single family residential transactions in the southeast Portland market area of 14.6% for the year ending June 2014. This annual appreciation rate reflects an average weight for all property classes in the defined market area (Area 143). Given the below average condition of the subject property, this appreciation rate may overstate the appropriate rate of appreciation relative to homes of below average condition. Thus, a more conservative appreciation rate of 12% per year, or approximately 1% per month, has been applied to the comparable data as indicated in the above comparison grid.

Substation Influence

The subject property is located immediately adjacent to a Portland General Electric transformer facility. The infrastructure associated with the transformer facility is highly visible from the subject property and represents a negative value influence.

Sale 1 is a meaningful value indicator due to its proximity to the same substation. Sale 1 is located west of the subject site. Thus, Sale 1 becomes a directly comparable transaction with respect to the substation's value influence.

Sale 3 had similar negative value influence as a result of its proximity to an adjacent commercial use. Thus, no adjustments for the PGE substation have been applied to Sales 1 and 3.

The remaining transactions are located on quiet residential streets. These sales have been adjusted downward at a rate of 5% of the indicated sale price in acknowledgement of the negative influence associated with the PGE facility adjacent to the subject property.

Improvement Area

The comparable sales have been adjusted at a rate of \$50 per difference in improved square footage. This has been reflected in the above comparison grid.

Site Area

Differences in the site area of the subject property and comparable sale parcels have been adjusted at a rate of \$10.00 per square foot of site area differential. Said adjustment has been reflected in the above comparison grid.

General Condition Adjustment

The subject improvements have a below average condition for a variety of reasons identified earlier in the improvement description. All four comparable sales have superior building condition when compared with the subject. The subject has original bathroom and kitchen facilities whereas each of the comparable sales have been renovated to some extent when compared with the subject. A downward adjustment of \$20,000 has been applied to each of the comparable sales in acknowledgement of the subject's inferior general condition.

Further downward adjustments have been applied reflecting the specific repairs necessary relative to the building's concrete foundation and unsafe electric infrastructure. Cost estimates have been solicited by potential purchasers. These estimates have been provided to the appraiser during the course of this appraisal assignment. Specific cost estimates include a cost to repair the building's concrete foundation of \$14,200. The estimates also include a cost to repair faulty wiring in the

REAL PROPERTY CONSULTANTS

amount of \$3,200. When combined, this represents a total extraordinary repair cost of \$17,400. These specific repair costs have been identified in the above comparison grid.

Conclusions

After considering all of the above adjustments, the appraiser arrives at an indicated range of subject property values from a high of \$326,830 associated with Sale 1, to a low of \$294,780. Sale 1 is a primary indicator of value due to its similarities with respect to the adjacent PGE substation facility. This sale; however, is somewhat dated resulting in a relatively large time adjustment, which decreases its overall reliability as a value indicator.

All of the transactions had superior condition when compared with the subject. Sale 4 is the most current transaction occurring during June 2014, thus making it a significant indicator of the subject's value. The appraiser has also considered the ownership status of the subject property. The property is owned by Portland General Electric, which is a publicly regulated entity. Accordingly, PGE's ability to negotiate or make repairs is limited. The lack of ability to make or negotiate repairs, combined with the poor condition of the subject property, results in significant financing challenges for potential buyers. The ownership status of the property shares some similarities with bank-owned or otherwise distressed property assets. For these reasons, the appraiser has concluded an appropriate overall value for the subject property near the lower end of the demonstrated range of adjusted sale price indicators. With this in mind, the appraiser concludes an appropriate subject property value as of August 7, 2014 at \$300,000.

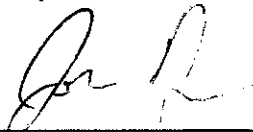
**Concluded Subject Property Value
\$300,000**

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CERTIFICATION

I certify that, to the best of my knowledge and belief:

- ◆ The statements of fact contained in this report are true and correct.
- ◆ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- ◆ I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- ◆ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ◆ My engagement in this assignment was not contingent upon the developing or reporting predetermined results.
- ◆ My compensation for this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- ◆ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- ◆ I have made a personal inspection of the subject property and the sales used in this report.
- ◆ No one provided significant professional assistance to the person signing this report.
- ◆ The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Practice of the Appraisal Institute.
- ◆ I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- ◆ I previously conducted an appraisal of the subject property dated August 14, 2014. New information with respect to necessary building repairs has caused the need for a revised appraisal analysis. I have performed no services, other than the appraisal dated August 14, 2014, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.
- ◆ As of the date of this report, I have completed the continuing education program of the Appraisal Institute.

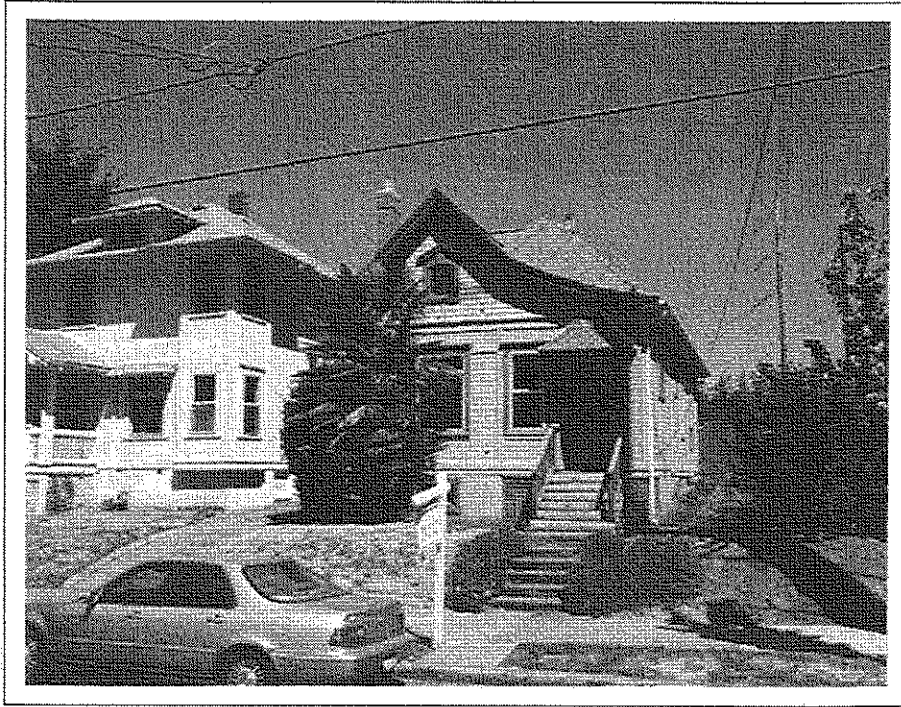


John V. Donnerberg, MAI

Oregon Certification C000554 Exp. 5/31/2016

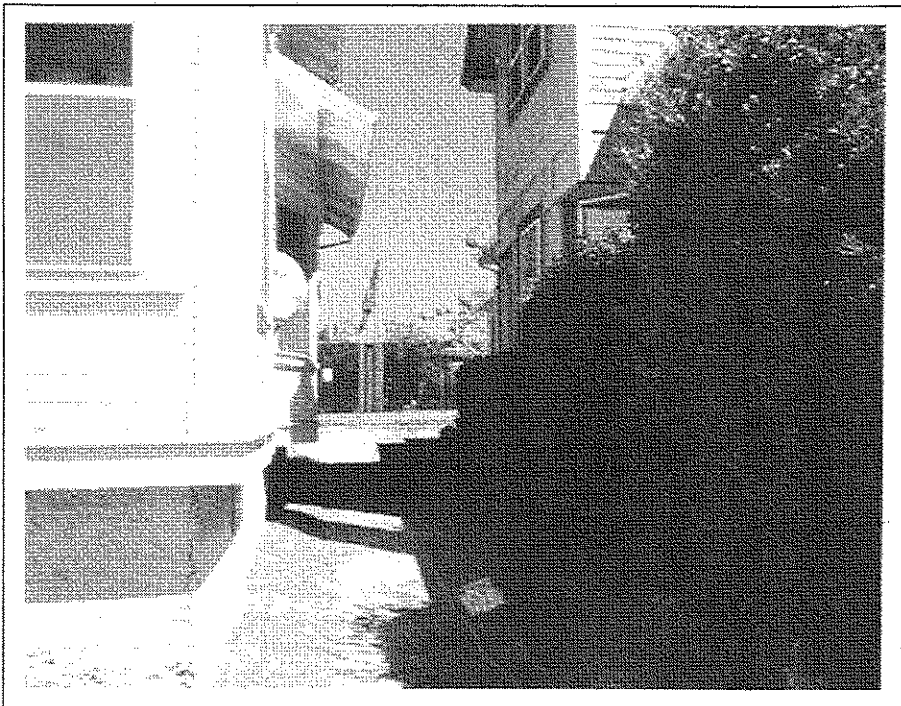
ADDENDUM

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-002 (14-076)

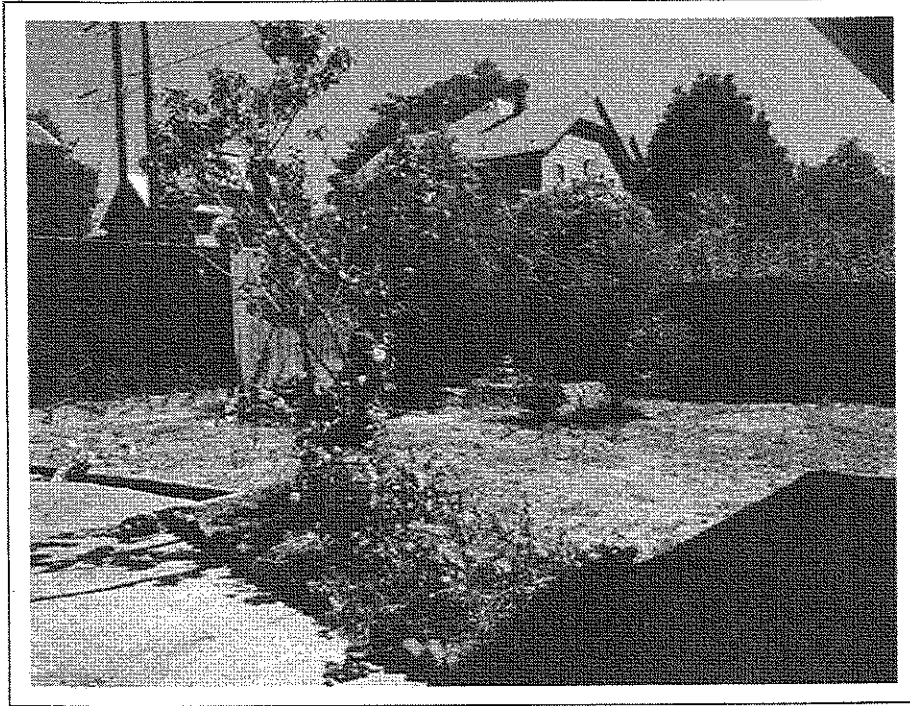
Facing north, viewing subject property as seen from adjacent street frontage.



JD2014-027-003 (14-076)

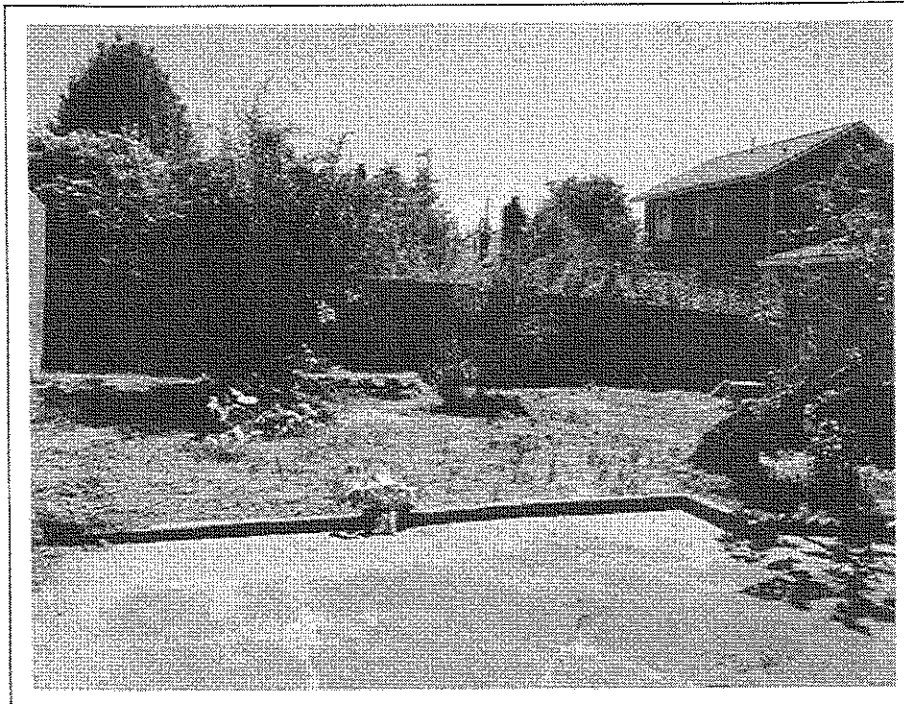
Facing north, viewing shared driveway between subject property and neighboring parcel to the west.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-005 (14-076)

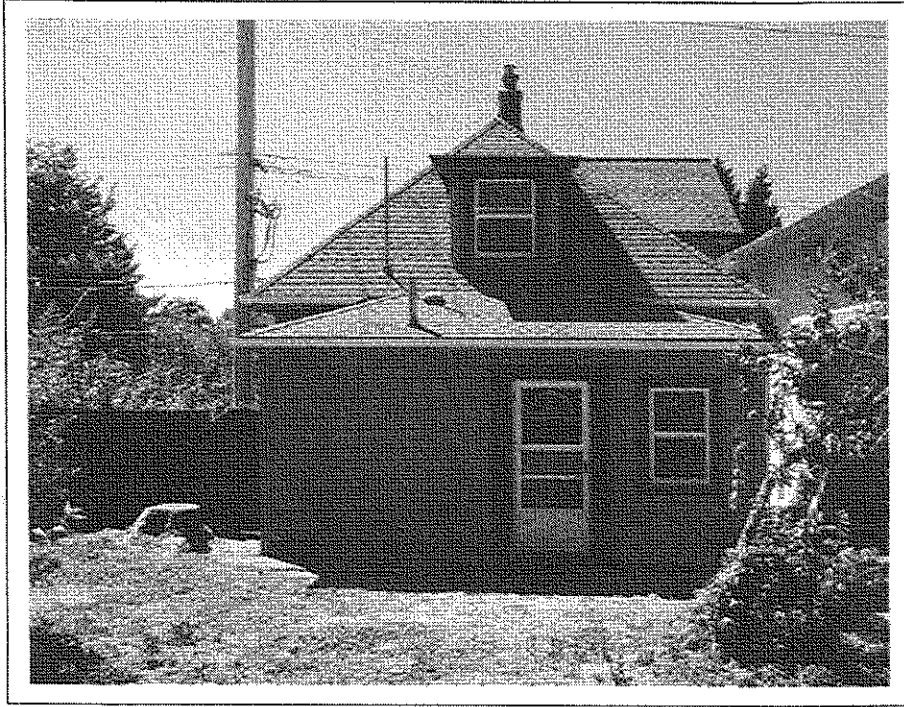
Viewing rear yard area.



JD2014-027-007 (14-076)

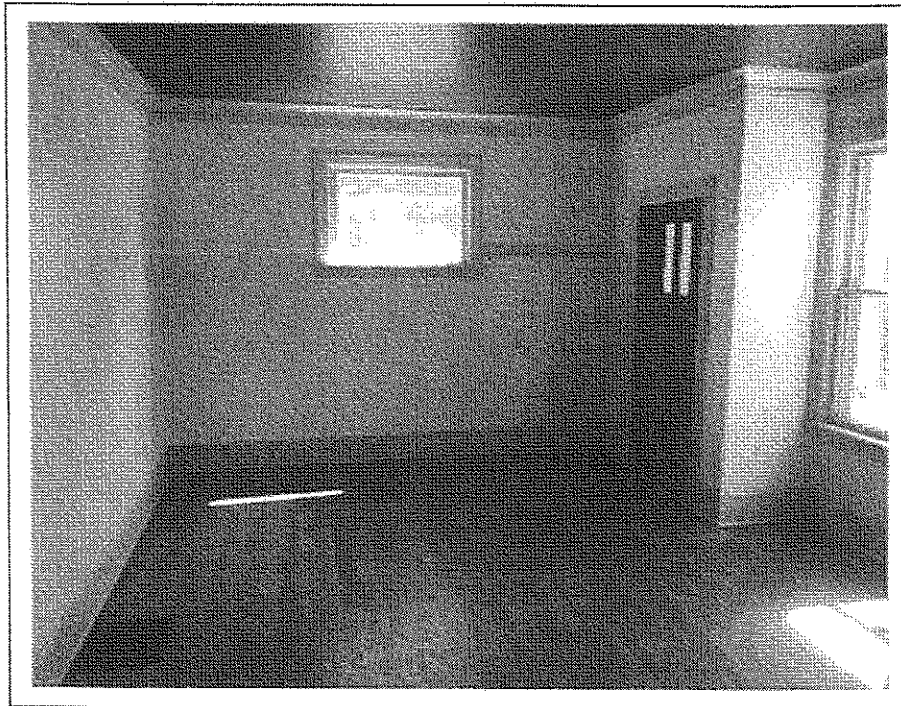
Viewing former garage foundation.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-012 (14-076)

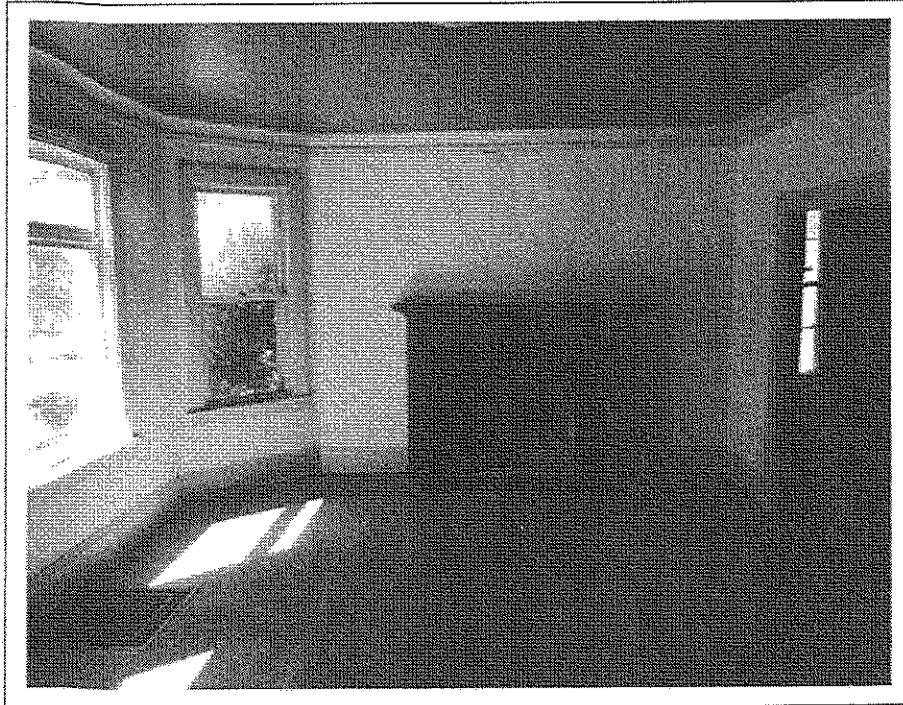
Facing south, viewing north wall of residence.



JD2014-027-017 (14-076)

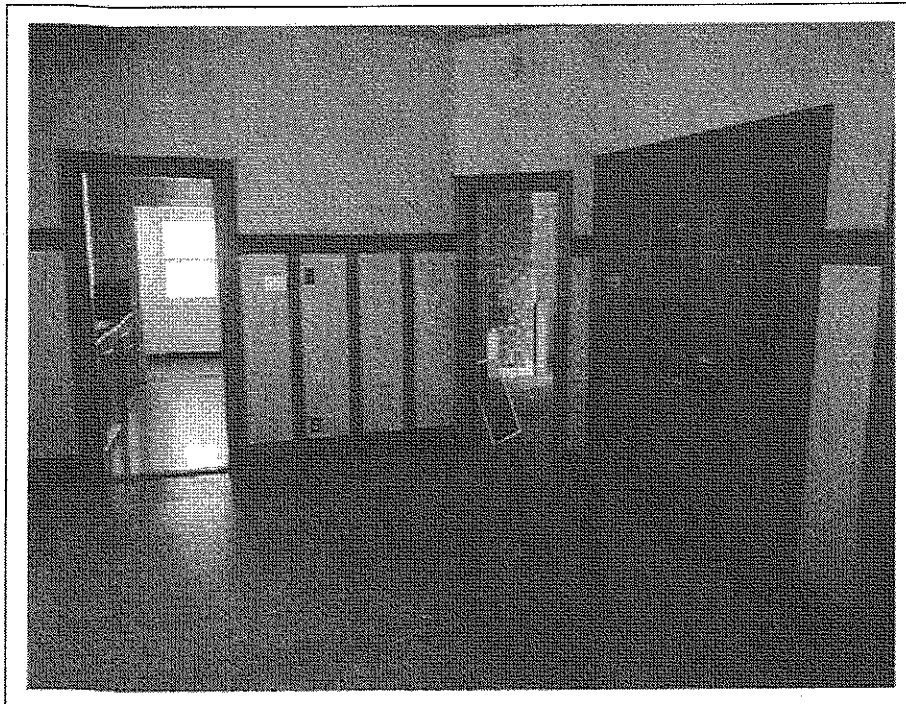
Viewing main living area.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-016 (14-076)

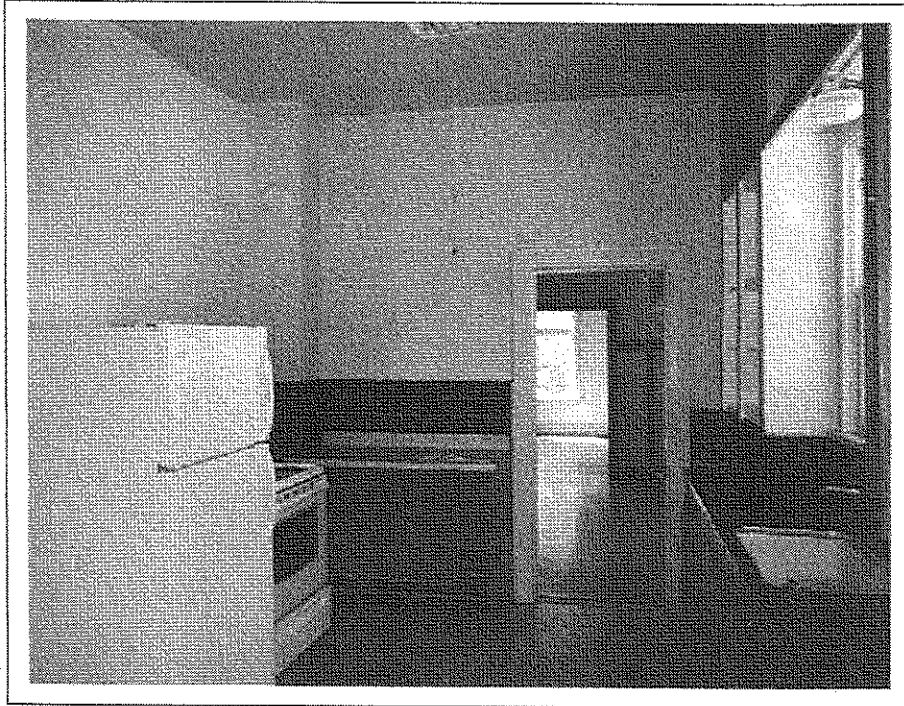
Viewing main living area and fireplace.



JD2014-027-022 (14-076)

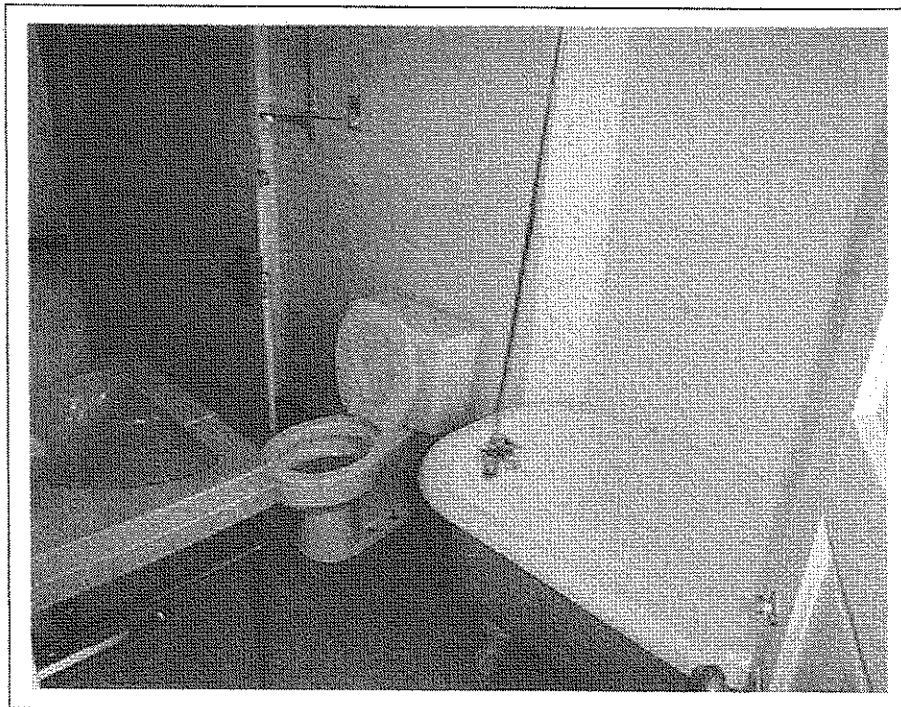
Viewing dining room.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-027 (14-076)

Viewing kitchen.



JD2014-027-029 (14-076)

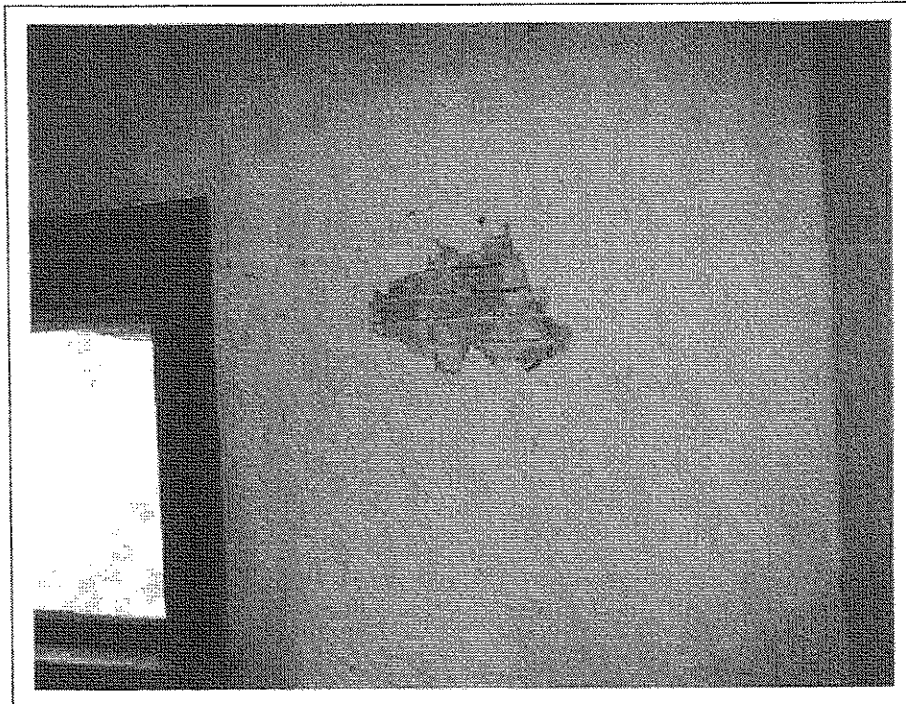
Viewing bathroom.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-031 (14-076)

Viewing downstairs bedroom.



JD2014-027-040 (14-076)

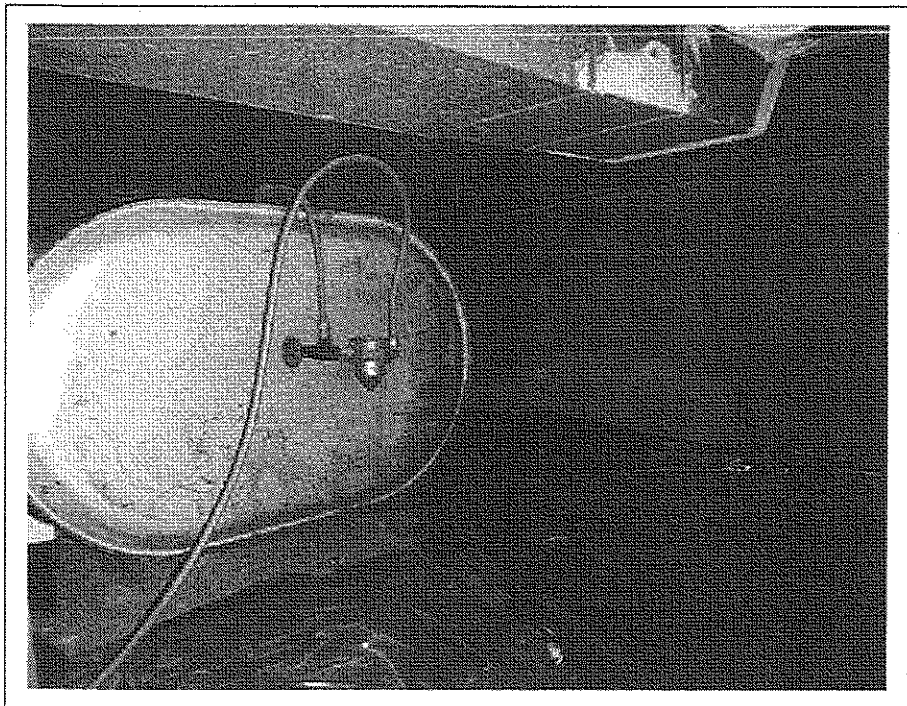
Viewing plaster damage.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-042 (14-076)

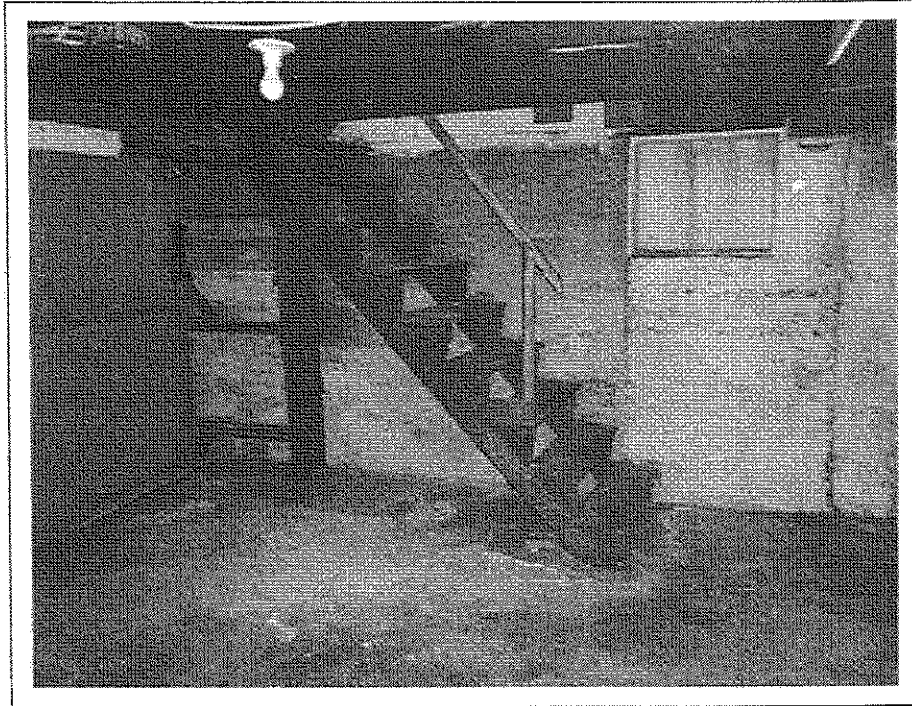
Viewing typical upstairs bedroom area.



JD2014-027-052 (14-076)

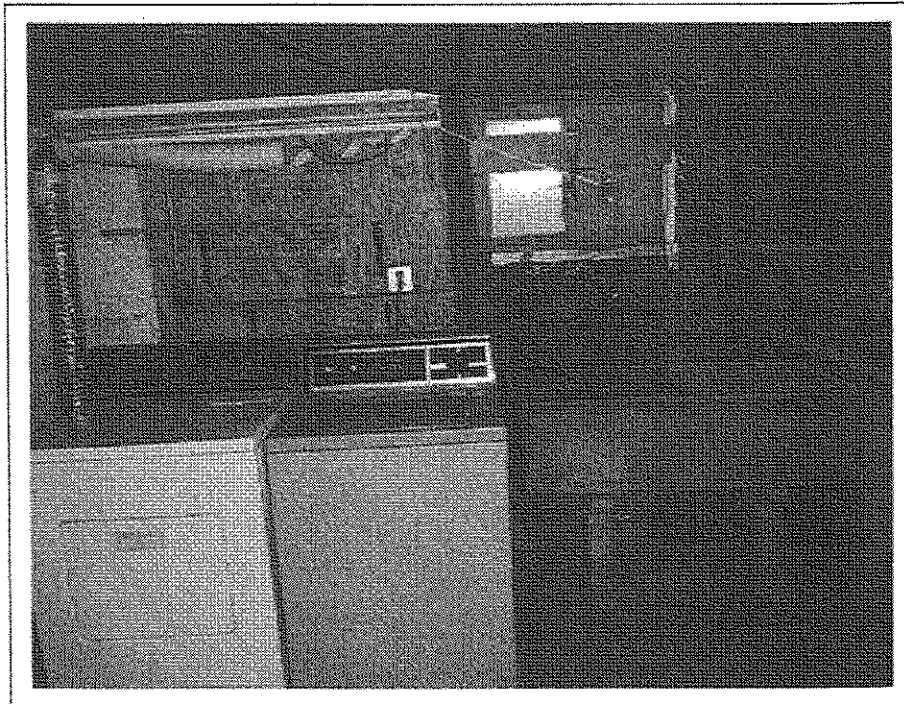
Viewing abandoned oil tank in basement.

PHOTOGRAPHS – SUBJECT PROPERTY



JD2014-027-055 (14-076)

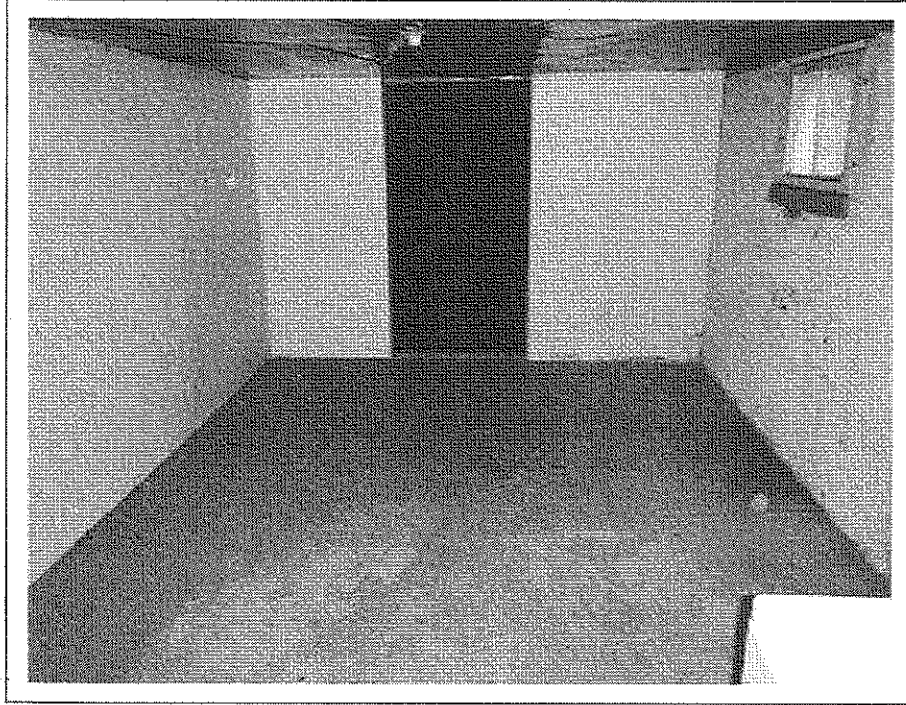
Viewing stairwell in basement.



JD2014-027-056 (14-076)

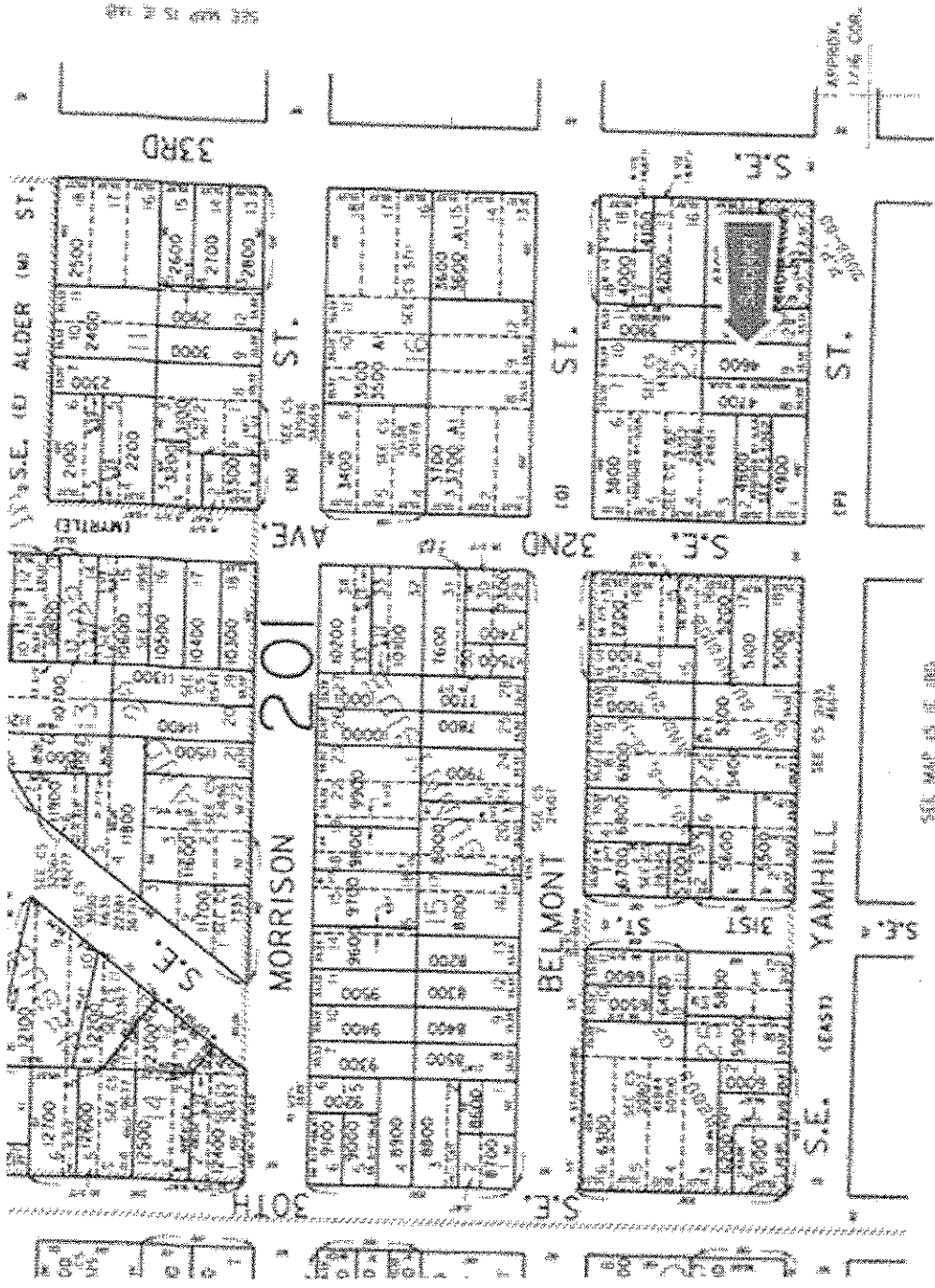
Viewing basement laundry facility.

PHOTOGRAPHS – SUBJECT PROPERTY



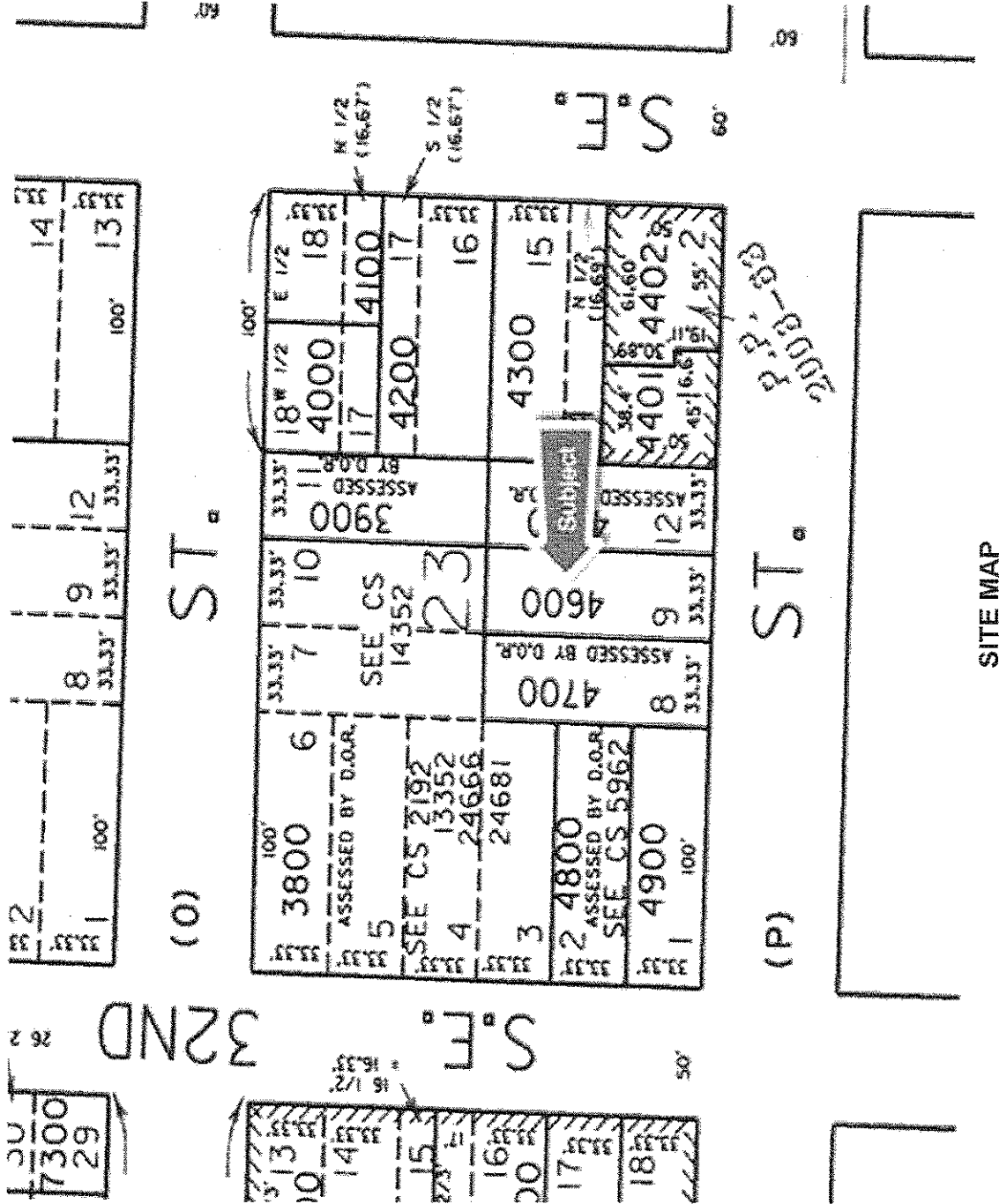
JD2014-027-058 (14-076)

Viewing finished portion of basement.



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ASSESSOR MAP

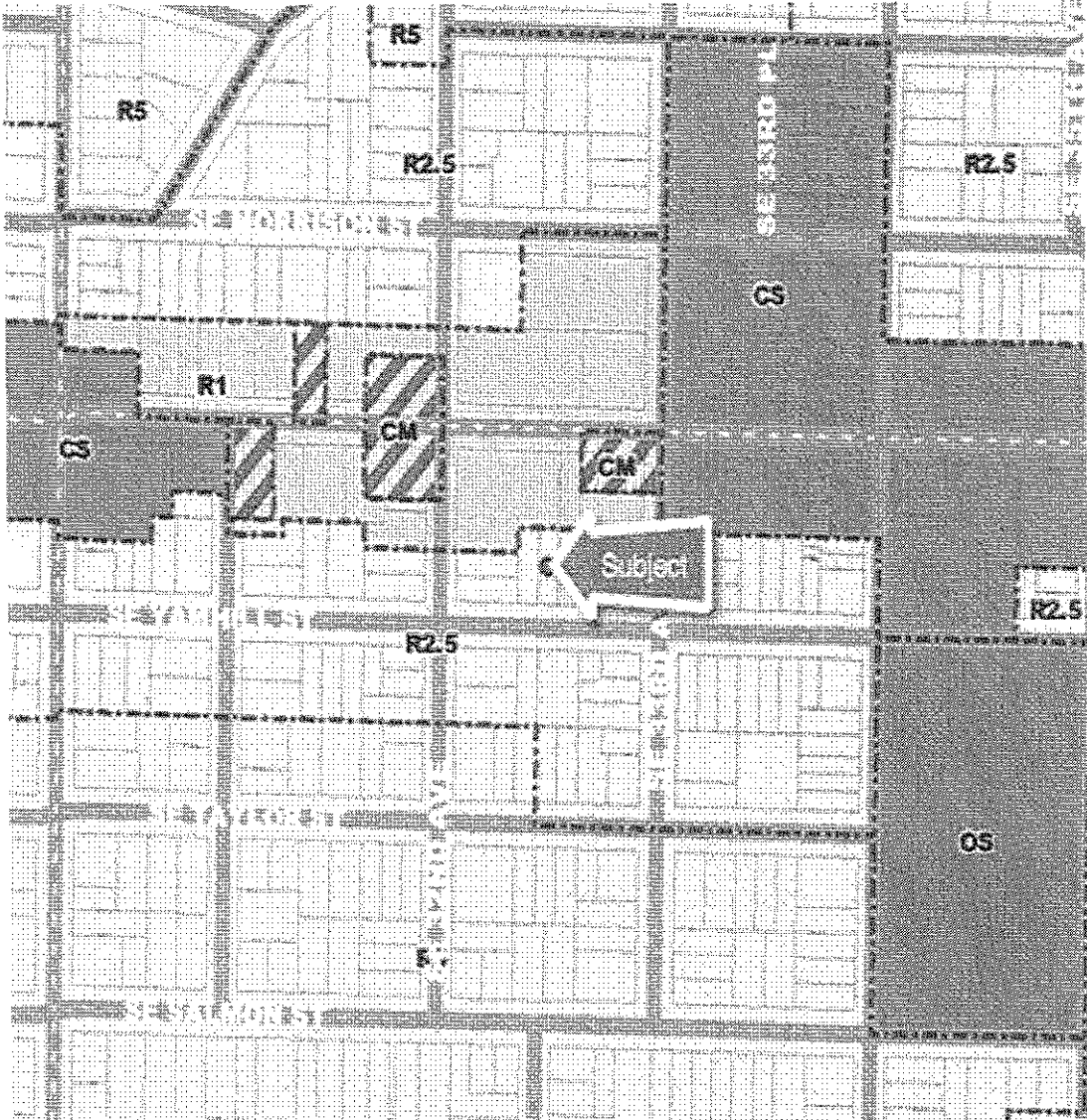


7300
29
32ND

S.F.

2008-02-02

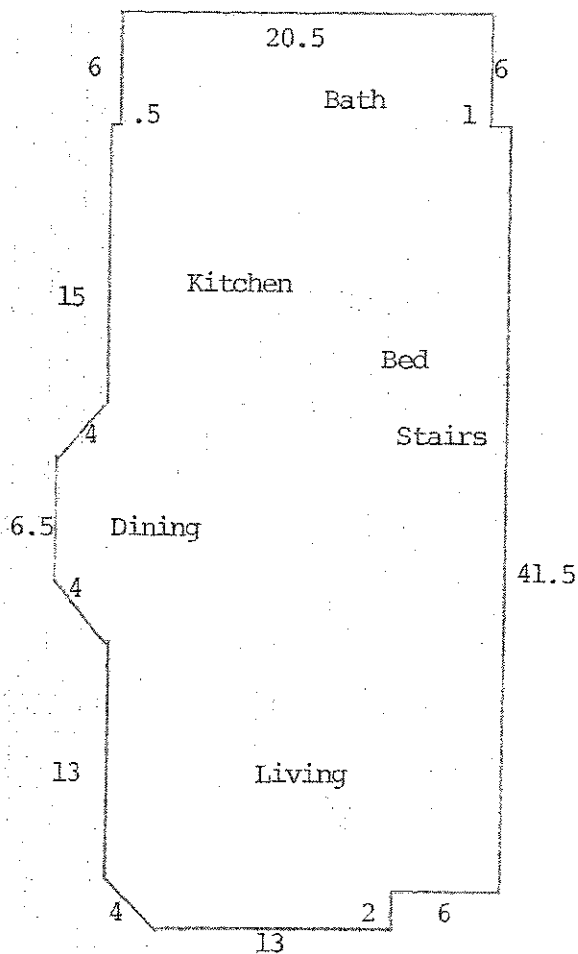
SITE MAP



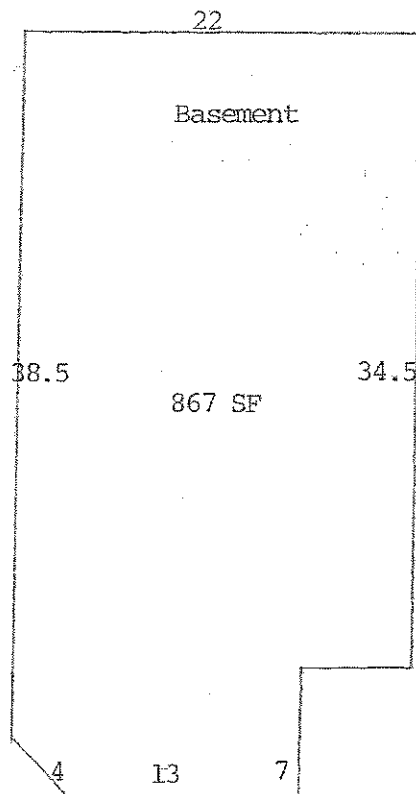
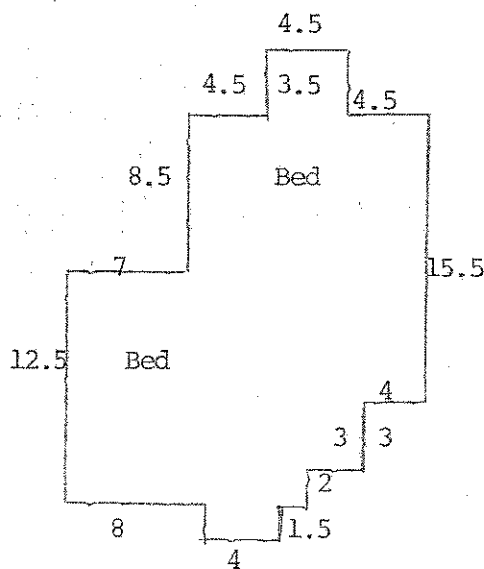
ZONE MAP

RPC 14-076
PGE Property
3231 SE Yamhill St
Portland, OR, 97214

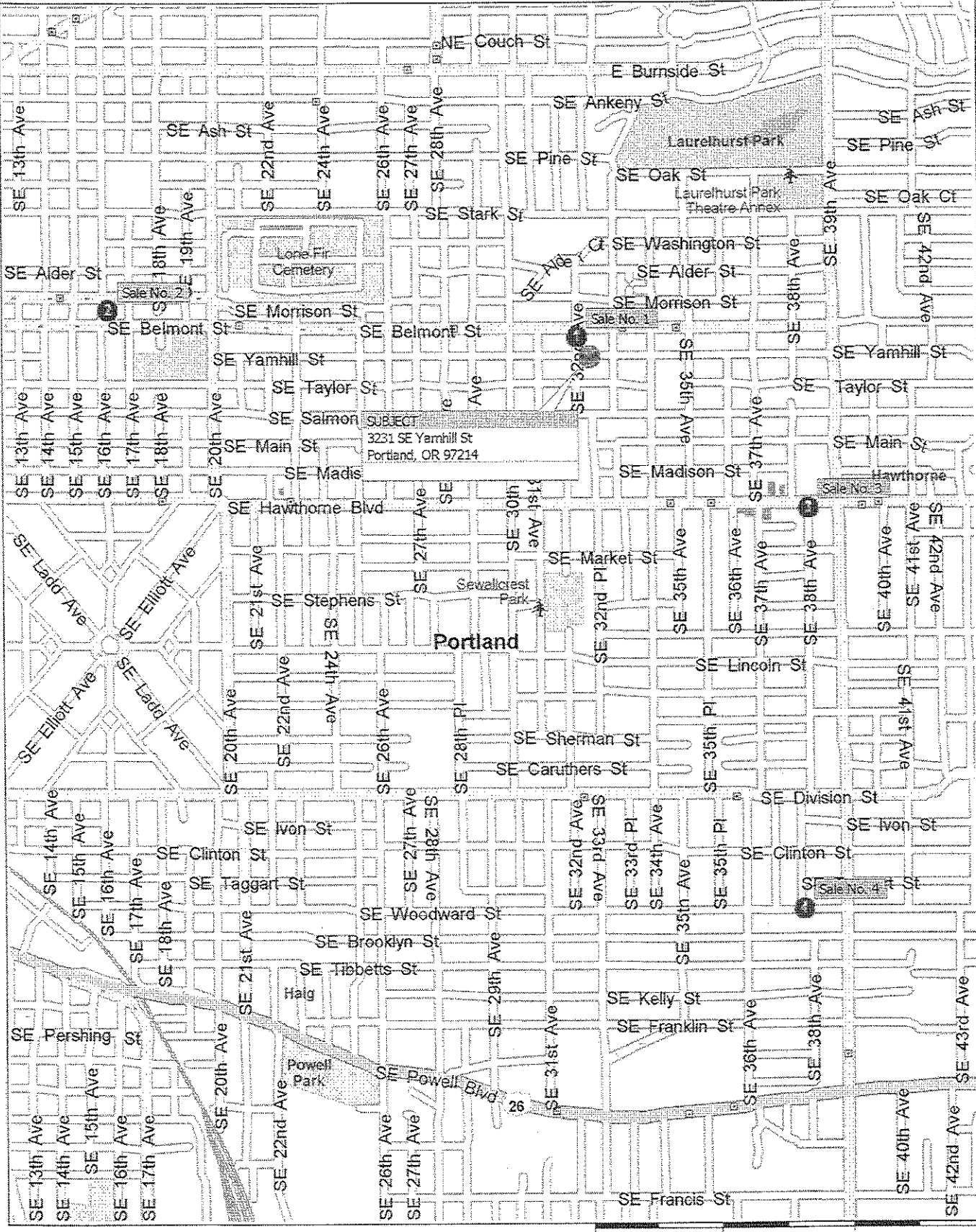
Scale: 1" = 10'



Main Floor: 1,092 SF
2nd Floor: 363 SF
Total 1,455 SF



Improved Sales Map



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SALE NO. 1



JD2014-025-002 (14-076)

Location: 934 SE 32nd Avenue, Portland, Oregon 97214
Legal Description: Multnomah County Parcel 1S-1E-1BA, TL 4900 AKA Parcel R280572
Date: February 22, 2013
Price: \$307,000
Grantor: Portland General Electric
Grantee: Patricia S. Eiting
Recording: 2013-025639
Zone: R-2, City of Portland
Site Size: 3,333 square feet
Building Area: 1,220 square feet
Unit Price: \$251.64 per square foot
Year Built: 1902
Verified: Corine Gosse, Listing Agent, 503-775-4699
Also verified on site with property owner

Comments – This transaction involves a 1,220 square foot single family residence located at the corner of SE 32nd Avenue and SE Yamhill Street. The home is situated adjacent to a Portland General Electric substation facility, which reportedly had some negative influence on the value of the property. The home had three bedrooms and one bath as well as a 792 square foot unfinished basement. The building was built in approximately 1903. The home included a newly remodeled kitchen as well as a remodeled bath. The interior had been recently painted and included finished hardwood floors. The property was sold by Portland General Electric as surplus. The building had electric zonal heating and gas water heater. The property was listed for approximately 28 days on the market prior to the indicated transaction date.

Sale No. 1
Continued

Conversations with the seller's representative indicated that the transaction involved a cash consideration. The listing agent indicated that the PGE ownership status caused some difficulty in marketing the property due to the need for PUC review and approval prior to closing the sale. The property has a total land area of 3,333 square feet with overall dimensions of 100 feet by 33.33 feet. The site enjoyed the benefit of an adjacent vacant parcel, also owned by PGE. While the adjacent parcel is still owned by PGE, the buyer of the home indicated that the adjacent open area was seen as a positive in this instance. Conversations with the buyer indicate that portions of the home were in need of maintenance and renovation; however, the new kitchen and bathroom were seen as a positive. The exterior of the home has recently been painted subsequent to the purchase. The buyer indicated that several siding repairs were made during the refinishing of the exterior. The home had a newer roof at time of sale.

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

NE1/4 NW1/4 SEC. 1 T.1S. R.1E. W.M.
MULTNOMAH COUNTY

1" = 100'

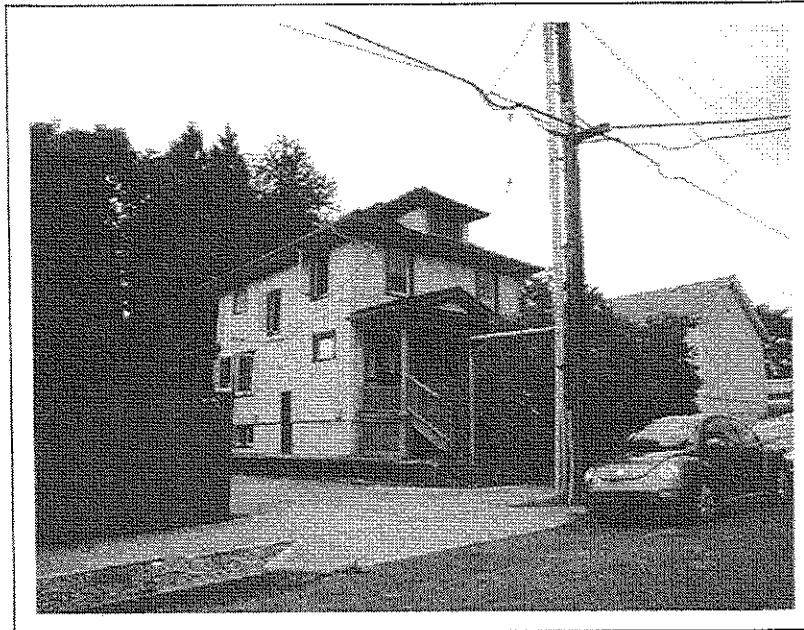
IS IE IBA
PORTLAND



CANCELLED NO.
4400

IS IE IBA
PORTLAND

SALE NO. 2



JD2014-028-001 (14-076)

Location: 819 SE 16th Avenue, Portland, Oregon 97202

Legal Description: Multnomah County Parcel 1S-1E-2AB, Tax Lot 15200 also known as Parcel R150666

Date: November 14, 2013

Price: \$320,000

Grantor: Douglas Duguay

Grantee: Josh Brunaugh and Celina Hoskins

Recording: 2013-149761

Zone: R-2.5, City of Portland

Site Size: 3,000 square feet

Building Area: 1,726 square feet

Unit Price: \$185.40 per square foot

Year Built: 1908

Verified: Allison Fuller, Listing Agent, 503-546-9955

Comments – This transaction involves a two story single family residence situated on a 3,000 square foot lot. The interior site was located along a quiet residential street situated between SE Morrison Street and SE Belmont Street. The four-square style structure included a total finished area of 1,726 square feet. The building includes three bedrooms and 2 ½ baths. The home was built in approximately 1908 and had seen adequate maintenance since its original construction date. The home had well maintained interior surfaces and included a newer kitchen and bathroom. The structure also included a 768 square foot unfinished basement. The home has a gas forced air furnace and electric water heater. The property was listed for approximately 26 days on the market and included a conventionally financed loan with cash consideration to the seller..

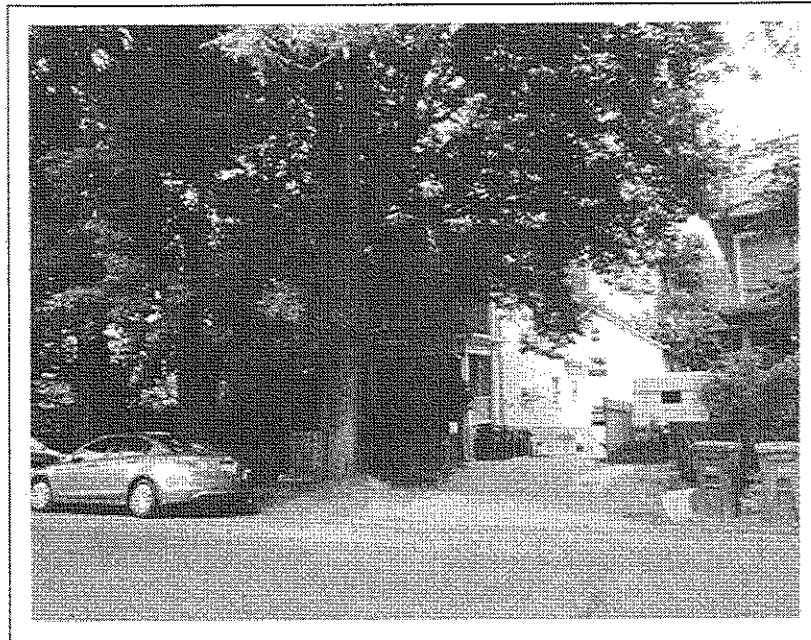
THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

NW1/4 NE1/4 SEC. 2 T.1S R.1E W.M.
MULTNOMAH COUNTY
1" = 100'

IS 1E 2AB
PORTLAND



SALE NO. 3



JD2014-028-003 (14-076)

Location: 1524 SE 38th Avenue, Portland, Oregon 97202
Legal Description: Multnomah County Parcel 1S-1E-1DA, Tax Lot 11700 also known as Parcel R229489
Date: December 18, 2013
Price: \$357,000
Grantor: Nicholas Parsons
Grantee: Sasson Osher
Recording: 13-161860
Zone: R-5, City of Portland
Site Size: 5,750 square feet
Building Area: 1,939 square feet
Unit Price: \$184.12 per square foot
Year Built: 1907
Verified: Tom Stubbs, Listing Agent, 503-653-0607

COMMENTS – This transaction involves a 1,939 square foot two story single family residence situated on a 5,750 square foot lot one parcel south of SE Hawthorne Blvd. The property is located adjacent to a commercial use. The adjacent restaurant has a paved parking area, trash enclosure and cellular transmission tower. The commercial use and cell tower are seen as negative influences in this instance. Overall, the property was relatively well maintained and included a newer kitchen as well as nicely finished interior surfaces. The property included a concrete driveway for off-street vehicle storage. At the time of inspection, the property was being improved with a detached garage and apartment to the rear of the existing residence. Terms of the transaction involved a conventionally financed loan with cash to the seller. The property was listed for approximately 46 days prior to the indicated closing date.

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

NE 1/4 SE 1/4 SEC. 1 T.1S. R.1E. W.M.
MULTNOMAH COUNTY

IS IE IDA
PORTLAND



CANCELLED NO.
4800
5000
7800
7900

SALE NO. 4



JD2014-028-007 (14-076)

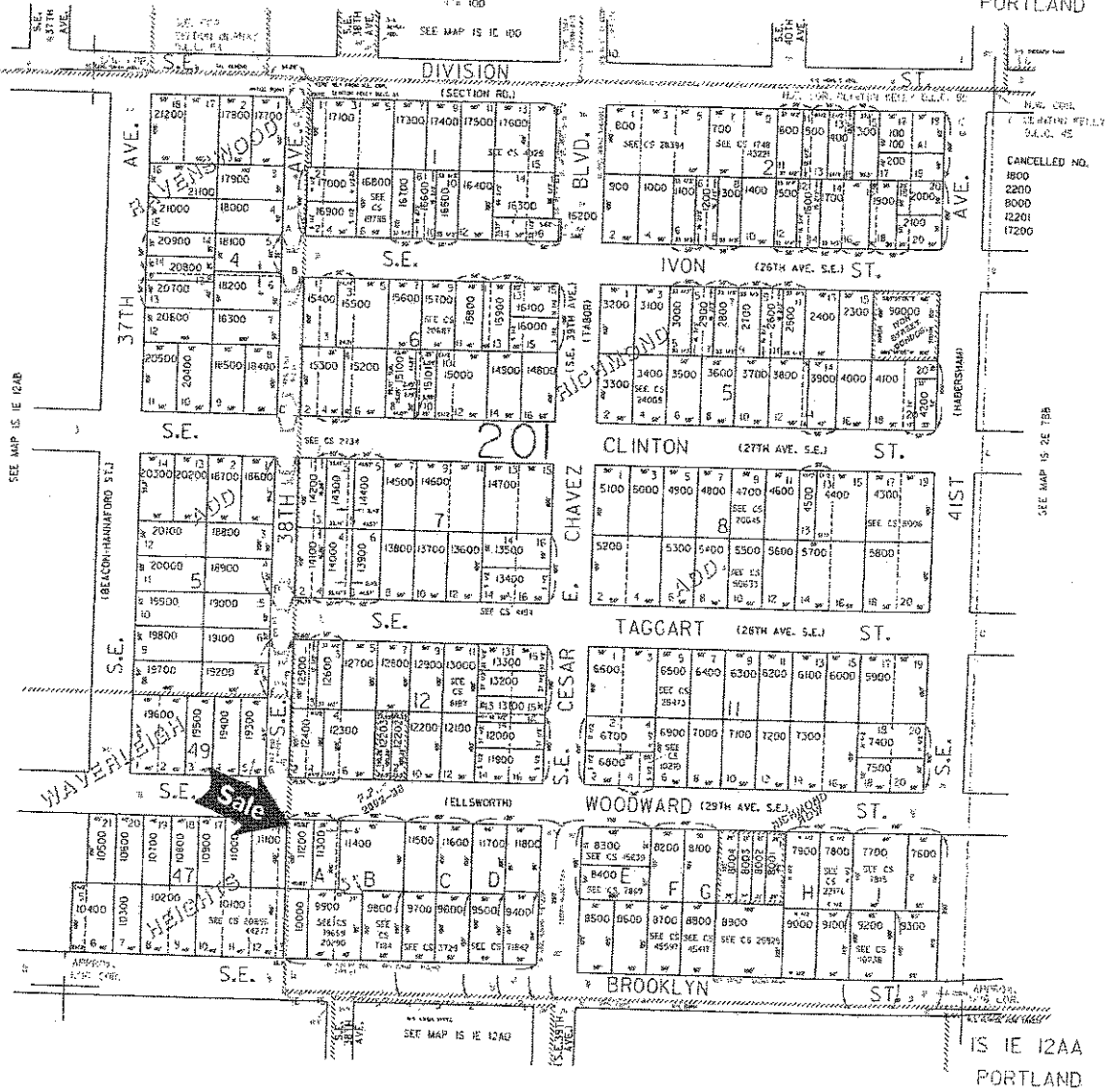
Location: 3800 SE Woodward Street, Portland, Oregon 97215
Legal Description: Multnomah County Parcel 1S-1E-12AA, Tax Lot 11200, also known as Parcel R255054
Date: June 6, 2014
Price: \$345,000
Grantor: Adrienne Martin and Robert Thrapp
Grantee: Sandra Johnson and John Colligan
Recording: 14-054083
Zone: R-5, City of Portland
Site Size: 4,000 square feet
Building Area: 1,264 square feet
Unit Price: \$272.94 per square foot
Year Built: 1892
Verified: Sandra Johnson, Buyer, on site, and Tracy Wiens, Listing Agent 503-238-1700

Comments – This transaction involves a 1,264 square foot single family residence located on a quiet residential street. The parcel includes a total land area of 4,000 square feet. The building was constructed in approximately 1892. The building also includes an 864 square foot basement and small detached garage. Conversations with the buyer indicate that the home was in need of some maintenance; however, the building included a newer kitchen and bathroom installation. The interior of the home had recently refinished hardwood floors and a wood burning fireplace. The home sold after being listed for only two days on the market. Conversations with the buyer indicated that there were multiple offers on the property resulting in the indicated sale price at approximately \$10,000 above the list price. The building includes four bedrooms and one bath.

THIS MAP WAS PREPARED FOR
ASSESSMENT PURPOSE ONLY

NE 1/4 NE 1/4 SEC. 12 T.1S. R.1E. W.M.
MULTNOMAH COUNTY

IS 1E 12AA
PORTLAND



54

= METROSCAN PROPERTY PROFILE =
Multnomah (OR)

OWNERSHIP INFORMATION

Parcel Number :R280577 Bldg # of
Ref Parcel Number :1S1E01BA 04600
Old Parcel Number :R81040 4200
Map Number :3133 T:01S R:01E S:01 Q:NW
Owner :Portland General Electric Co
CoOwner :
Site Address :3231 SE Yamhill St Portland 97214
Mail Address :121 SW Salmon St Portland Or 97204

SALES AND LOAN INFORMATION

Transferred : Loan Amount :
Document # :1158-0028 Lender :
Sale Price : Loan Type :
Deed Type : Interest Rate :
% Owned : Vesting Type :

ASSESSMENT AND TAX INFORMATION

MktLand : Levy Code :201
MktStructure : 13-14 Taxes :
MktTotal : Exempt Amount :
% Improved : Exempt Type :
AssessedTotal:

PROPERTY DESCRIPTION

Map Page & Grid :597 A7
Census :Tract:13.01 Block:4
Zoning :R2.5
Subdivision/Plat :Sunnyside 02 & 03
Neighborhood Cd :R111
Land Use :013 Misc, Res, Centrally Assessed
Property Use :Ca Centrally Assessed
Improvement Type :
Class Code :
Legal :SUNNYSIDE & PLAT 2 & 3, BLOCK 23,
:LOT 9, DEPT OF REVENUE MAP 3133
:

= METROSCAN PROPERTY PROFILE = Page 51 of 58
 Multnomah (OR)

Parcel Number :R280577 Bldg # of

PROPERTY CHARACTERISTICS

Bedrooms :	Building SF :	Year Built :
Bathrooms :	1st FloorSF :	EffYrBuilt :
Family Room :	2nd FloorSF :	Lot Acres :.08
Living Room :	Attic SqFt :	Lot SqFt :3,300
Kitchen :	Bsmt Fin SF :	Lot Dimen :
Dining Room :	Bsmt Unfin SF :	Curb/Guttr :Yes
Nook :	Bsmt Total SF :	St Access :
Utility Rm :	Total Lvng SF :	PavingMatl :Paved
Other Rms :	Garage SqFt :	ElectrcSvc :
Floor Cover :	Garage Sp :	Nuisance :Lt Traffic
Fireplace :	Garage Type :	Sidewalk :Yes
Cooling :	Patio SqFt :	Sewer :Sanitary
Heat Mthd :	Patio :	View Qlty :
Heat Srce :Gas	Pool :	Water Srce :Yes
Intercom :	Spa :	Foundation :
Microwave :	Deck SqFt :	Wall Matl :
Vacuum :	Deck :	Roof Matl :
Trash Cmptr :	Stories :	Roof Shape :
Appliance :	Bldg Style :	Const Type :
Tennis Crt :	Total Units :	

Misc. Improvements

Size

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Information compiled from various sources. CoreLogic makes no representations or warranties as to the accuracy or completeness of information contained in this report.

PortlandMaps

[New Search](#) | [Mapping](#) | [Advanced](#) | [Google Earth](#) | [Help](#) | [PortlandOnline](#)

**3231 SE YAMHILL ST -
SUNNYSIDE - PORTLAND**

[Explorer](#) | **Property** | [Maps](#) | [Projects](#) | [Crime](#) | [Census](#) | [Environmental](#) | [Transportation](#)

[Summary](#) | [Assessor](#) | [Permits/Cases](#) | [Block](#) | [Schools](#) | [Parks](#) | [Development](#) | [Garbage/Recycling](#) | [Noise](#) | [Historic Permits](#) | [Water](#) | [Documents](#)

General Information	
Property ID	R280577
County	MULTNOMAH
State ID	1S1E01BA 4600
Alt Account #	R810404200
Map Number	3133 OLD
Site Info	
Site Address	3231 SE YAMHILL ST
City/State/Zip	PORTLAND OR 97214
Owner Info (Privacy)	
Owner(s) Name	PORTLAND GENERAL ELECTRIC CO ATTN CORPORATE TAX DEPT
Owner Address	121 SW SALMON ST 1WTC0510
City/State/Zip	PORTLAND OR 97204-2901

Property Description	
Tax Roll	SUNNYSIDE & PLAT 2 & 3, BLOCK 23, LOT 9, DEPT OF REVENUE
Use	CENTRALLY ASSESSED
Lot	9
Block	23
Tax Districts	
101	PORT OF PORTLAND
130	CITY OF PORTLAND
130L	CITY OF PORTLAND - NEW LEVIES
130M	CITY OF PORTLAND PARKS LOP
143	METRO
164	EAST MULT SOIL/WATER
170	MULTNOMAH COUNTY
170L	MULT CO LIBRARY LOCAL OPT TAX
171	URBAN RENEWAL PORTLAND
173	URB REN SPECIAL LEVY - PORTLAND
198	TRI-MET TRANSPORTATION
304	MULTNOMAH ESD
309	PORTLAND COMM COLLEGE
311	PORTLAND SCHOOL DIST #1

Deed Information			
Sale Date	Type	Instrument	Sale Price
	INST	BP11580028	\$0.00

Land Information	
Type	Acres
	0

Improvement Information

Improvement Type		
Improvement Value \$0.00		
Room Descriptions		
Building Class		
Actual Year Built		Effective Year Built
Number of Segments		Construction Style
Foundation Type		Interior Finish
Roof Style		Roof Cover Type
Flooring Type		Heating/AC Type
Plumbing		Fireplace Type
Improvement Details		
# Segment Type	Class	Total Area

No Improvement Segment Information Available

Tax History

Year	Property Tax	Total Tax
2013	\$0.00	\$0.00
2012	\$0.00	\$0.00
2011	\$0.00	\$0.00
2010	\$0.00	\$0.00
2009	\$2,510.29	\$2,510.29
2008	\$2,368.95	\$2,368.95
2007	\$2,362.05	\$2,362.05
2006	\$2,121.22	\$2,121.22
2005	\$2,026.03	\$2,026.03
2004	\$2,206.68	\$2,206.68
2003	\$2,158.04	\$2,158.04
2002	\$1,981.90	\$1,981.90
2001	\$1,885.38	\$1,885.38
2000	\$1,822.12	\$1,822.12
1999	\$1,716.26	\$1,716.26
1998	\$1,689.38	\$1,689.38
1997	\$1,596.38	\$1,596.38

Assessment History

Year	Improvements	Land	Special Mkt/Use	Real Market	Exemptions	Assessed
2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2009	\$102,200.00	\$158,500.00	\$0.00	\$260,700.00	\$0.00	\$114,900.00

2008	\$107,780.00	\$158,500.00	\$0.00	\$266,280.00	\$0.00	\$111,560.00
2007	\$136,170.00	\$140,000.00	\$0.00	\$276,170.00	\$0.00	\$108,320.00
2006	\$119,230.00	\$128,000.00	\$0.00	\$247,230.00	\$0.00	\$105,170.00
2005	\$118,840.00	\$92,000.00	\$0.00	\$210,840.00	\$0.00	\$102,110.00
2004	\$111,380.00	\$78,540.00	\$0.00	\$189,920.00	\$0.00	\$99,140.00
2003	\$104,350.00	\$69,500.00	\$0.00	\$173,850.00	\$0.00	\$96,260.00
2002	\$83,620.00	\$58,060.00	\$0.00	\$141,680.00	\$0.00	\$93,460.00
2001	\$71,470.00	\$49,630.00	\$0.00	\$121,100.00	\$0.00	\$90,740.00
2000	\$67,420.00	\$46,820.00	\$0.00	\$114,240.00	\$0.00	\$88,100.00
1999	\$66,100.00	\$45,900.00	\$0.00	\$112,000.00	\$0.00	\$85,540.00
1998	\$61,800.00	\$42,900.00	\$0.00	\$104,700.00	\$0.00	\$83,050.00
1997	\$58,800.00	\$40,900.00	\$0.00	\$99,700.00	\$0.00	\$80,640.00

City of Portland, Corporate GIS

Assessor Data Updated 7/28/2014

THE GIS APPLICATIONS ACCESSED THROUGH THIS WEB SITE PROVIDE A VISUAL DISPLAY OF DATA FOR YOUR CONVENIENCE. EVERY REASONABLE EFFORT HAS BEEN MADE TO ASSURE THE ACCURACY OF THE MAPS AND ASSOCIATED DATA. THE CITY OF PORTLAND MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE AS TO THE CONTENT, SEQUENCE, ACCURACY, TIMELINESS OR COMPLETENESS OF ANY OF THE DATA PROVIDED HEREIN. THE USER OF THESE APPLICATIONS SHOULD NOT RELY ON THE DATA PROVIDED HEREIN FOR ANY REASON. THE CITY OF PORTLAND EXPLICITLY DISCLAIMS ANY REPRESENTATIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INACCURACIES IN THE INFORMATION PROVIDED REGARDLESS OF HOW CAUSED. THE CITY OF PORTLAND SHALL ASSUME NO LIABILITY FOR ANY DECISIONS MADE OR ACTIONS TAKEN OR NOT TAKEN BY THE USER OF THE APPLICATIONS IN RELIANCE UPON ANY INFORMATION OR DATA FURNISHED HEREUNDER. FOR UPDATED INFORMATION ABOUT THE MAP DATA ON PORTLANDMAPS PLEASE REFER TO CITY'S METADATA. FOR QUESTIONS ABOUT ASSESSMENT INFORMATION PLEASE CONTACT THE COUNTY ASSESSORS OFFICE IN YOUR COUNTY.

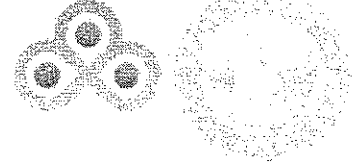
[Address](#) | [Mapping](#) | [Advanced](#) | [Google Earth](#) | [Help](#) | [About](#)

PortlandMaps © 2014 City of Portland, Oregon

Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

Phone: 503-823-7700 Curbside Hotline: 503-823-7202 1900 SW 4th Ave, Suite 7100, Portland, OR 97201
More Contact Info (<http://portlandoregon.gov/bps/article/136170>)



Single Dwelling Zones

The single-dwelling zones are intended to preserve land for housing and to provide housing opportunities for individual households. The zones implement the comprehensive plan policies and designations for single-dwelling housing.

Use regulations. The use regulations are intended to create, maintain and promote single-dwelling neighborhoods. They allow for some nonhousehold living uses but not to such an extent as to sacrifice the overall image and character of the single-dwelling neighborhood.

Development standards. The development standards preserve the character of neighborhoods by providing six different zones with different densities and development standards. The development standards work together to promote desirable residential areas by addressing aesthetically pleasing environments, safety, privacy, energy conservation, and recreational opportunities. The site development standards allow for flexibility of development while maintaining compatibility within the City's various neighborhoods. In addition, the regulations provide certainty to property owners, developers, and neighbors about the limits of what is allowed. The development standards are generally written for houses on flat, regularly shaped lots. Other situations are addressed through special regulations or exceptions.

	RF	R20	R10	R7	R5
Maximum Density	1 unit per 87,120 sq. ft.	1 unit per 20,000 sq. ft.	1 unit per 10,000 sq. ft.	1 unit per 7,000 sq. ft.	1 unit per 5,000 sq. ft.

Standard	RF	R20	R10	R7	R5	R2.5	
						detached	attached
Maximum Height (See 33.110.215)	30 ft. [2]	30 ft. [2]	30 ft. [2]	30 ft. [2]	30 ft. [2]	35 ft. [2]	35 ft. [2]

- Front building setback	20 ft.	20 ft.	20 ft.	15 ft.	10 ft.	10 ft.	10 ft.
- Side building setback [3] [4] [8]	10 ft.	10 ft.	10 ft.	5 ft. [9]	5 ft. [9]	5 ft. [9]	5 ft. [5] [9]
- Rear building setback [3] [8]	10 ft.	10 ft.	10 ft.	5 ft.	5 ft.	5 ft.	5 ft.
- Garage entrance setback [3] [6]	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.	18 ft.
(See 33.110.220)							

- Minimum area	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	250 sq. ft.	200 sq. ft.
- Minimum dimension [7]	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	12 ft. x 12 ft.	10 ft. x 10 ft.
(See 33.110.235)							

Notes:

[1] These standards may be superseded by the regulations of an overlay zone or plan district.

[2] Some lots may be subject to a different height standard. See 33.110.215.B.

- [3] No setback is required from a lot line abutting an alley.
- [4] The side setback for lots in front of flag lots may be reduced to 3 feet. See 33.110.220.D.2.
- [5] Applies only to the perimeter of the attached unit development. See 33.110.240 C. for more information.
- [6] The walls of the garage structure are subject to 33.110.250.E and the applicable front, side, or rear building setbacks.
- [7] The shape of the outdoor area must be such that a square of the stated dimension will fit entirely in the outdoor area.
- [8] No setbacks are required from an internal lot line that is also a zoning line on sites with split zoning. See 33.110.220.D.6.
- [9] The minimum setback between an existing building and a side lot line along a proposed right-of-way or tract may be reduced to 3 feet when proposed as part of a land division.

Table 110-4 Maximum Building Coverage Allowed in the RF through R2.5 Zones [1]	
Lot Size	Maximum Building Coverage
Less than 3,000 sq. ft.	50% of lot area
3,000 sq. ft. or more but less than 5,000 sq. ft.	1,500 sq. ft. + 37.5% of lot area over 3,000 sq. ft.
5,000 sq. ft. or more but less than 20,000 sq. ft.	2,250 sq. ft. + 15% of lot area over 5,000 sq. ft.
20,000 sq. ft. or more	4,500 sq. ft. + 7.5% of lot area over 20,000 sq. ft.

Notes:

- [1] Group Living uses are subject to the maximum building coverage for institutional development stated in Table 110-5.

Table 610-2 Lot Dimension Standards					
	RF	R20	R10	R7	R5
Minimum Lot Area	52,000 sq. ft.	12,000 sq. ft.	6,000 sq. ft.	4,200 sq. ft.	3,000 sq. ft.
Maximum Lot Area	151,000 sq. ft.	34,500 sq. ft.	17,000 sq. ft.	12,000 sq. ft.	8,500 sq. ft.
Minimum Lot Width	60 ft. [1]	60 ft. [1]	50 ft. [1]	40 ft. [1]	36 ft. [1]
Minimum Front Lot Line	30 ft.	30 ft.	30 ft.	30 ft.	30 ft.
Minimum Lot Depth	60 ft.	60 ft.	60 ft.	55 ft.	50 ft.

Notes:

- [1] See 33.610.200.D.

JOHN V. DONNERBERG, MAI PROFESSIONAL QUALIFICATIONS

BUSINESS ADDRESS

4805 SW Oleson Road
Portland, Oregon 97225
503-297-9046 (Office)

APPRAISAL EXPERIENCE

Real Property Consultants, Portland
May 1993 to Present – Position: State Certified General Appraiser

Conduct the appraisal of a variety of property types including single-family, multi-family, commercial, industrial and agricultural properties. Also conduct the appraisal of numerous right-of-way acquisition projects involving easements, fee takings, partial acquisitions and right-of-way corridors in both Oregon and Washington.

FORMAL EDUCATION

Oregon State University, Corvallis, Oregon – 1988-92
B.S. Degree in Technical Journalism

CERTIFICATES AND LICENSES

Oregon State Certified General Appraiser C000554
Washington State Certified General Appraiser 1100920

PROFESSIONAL AFFILIATIONS

Member: International Right-of-Way Association
Secretary, 2004, Board Member – International Right-Of-Way Association
Designated Member: Appraisal Institute (MAI)
2013 Secretary, Greater Oregon Chapter of the Appraisal Institute
2014 Treasurer, Greater Oregon Chapter of the Appraisal Institute

SAMPLING OF CLIENTS SERVED

Bank of America	PacifiCorp
City of Portland	Preferred Financial Funding
City of West Linn	Right-of-Way Associates
Clackamas County	Union Bank of California
Crossland Mortgage	Universal Field Services
First Franklin Group	Washington County
H.U.D. Approved	Washington Dept. of Transportation
NW Natural Gas	TriMet
Norwest Mortgage Inc.	Multnomah County
Oregon Dept. of Transportation	Metro
Portland General Electric Co.	City of Vancouver, Washington

JOHN V. DONNERBERG, MAI
PROFESSIONAL QUALIFICATIONS
(Continued)

PROFESSIONAL EDUCATION

Attended the following Appraisal Institute courses:

Appraisal Principles - Course 110 - 1993
Appraisal Procedures - Course 120 - 1993
Basic Income Capitalization - Course 310 - 1993
Standards of Professional Practice - Part A - Course 410 - 1993
General Applications - Course 320 - 1996
Standards of Professional Practice - Part B - Course 420 - 1993
Standards of Professional Practice - Part C - Course 430 - 1998
Appraising High Values & Historic Homes - 1998
Fannie Mae Update - 1998
Changing Appraisal Market - 1998
Advanced Income Capitalization - Course 510 - 1999
Highest and Best Use - Course 520 - 1999
Advanced Sales Comparison and Cost Approach - Course 530 - 3/2000
Report Writing - Course 540 - May 2000
Attacking and Defending An Appraisal in Litigation - 5/2001
Comprehensive Examination Workshop - 2001
USPAP "A" and "B" - 4/2002
Report Writing Seminar - Course 755, 2/2004
Scope of Work Seminar - Course 756, 3/2004
National USPAP Update - Course 400 - 3/2004
Rates and Ratios - Course 754, 5/2004
National USPAP Update - 11/2005
Professionals Guide to the URAR - 9/2005
Demonstration Appraisal Report Writing Seminar - April 2006
Evaluating Residential Construction - 2/2007
National USPAP Update - 2/2008
Statistics and Residential Trends - 2/2008
State of the Industry Seminar - 12/2008
Chief Appraiser Round Table 4/9/2009
FHA Appraisal 3/12/2009
National USPAP Update 12/10/2010
Business Practices and Ethics 420 - 3/5/2010
Analyzing Distressed Real Estate - 4/27/2010
Appraisal Curriculum Overview - 11/10/2010
National USPAP Update - 3/2012
Discounted Cash Flow Model: Concepts, Issues and Apps 5/2012
Attacking/Defending an Appraisal in Litigation - 4/2013
National USPAP - 2014

Exhibit "J"
UP__

PORTLAND GENERAL ELECTRIC COMPANY
PROPOSED JOURNAL ENTRIES

The following entries are to record the sale of Property located at 3231 SE Yamhill Blvd,
Portland Oregon, D11-1/1,

	Land/Building	Total
Selling Price	330,000	330,000
Original Cost	34,308	34,308
Selling Expenses	23,450	23,450
Gain(Loss) Realized	272,242	272,242

Account	Description	Debit	Credit
	[1]		
131	Cash	330,000	
186	Misc Deferred Debits (Legal, Appraisal, Environmental Expense)	23,450	
186	Misc Deferred Debits	34,308	
186	Misc Deferred Debits (Land RWIP)		330,000
101	Electric Plant-in-Service		34,308
131	Cash - Appraisal/Labor expenses		23,450

To record costs and retire property located at D11-1/1,

	[2]		
186	RWIP	272,242	
411.6	Gain on disposition of property		272,242

To record the gain on the sale of property located at D11-1/1,

	[3]		
407.3	Deferral of property transfer gain	272,242	
254	Deferred gain on property sale		272,242

To record the deferred gain associated with the sale of property
located at D11-1-1,

Selling expenses detail						
escrow	appraisal	recording fee	RE commision 6%	Dept 791 estimated Labor	Total	
600		3,000	50	19,800	-	23,450

RMLS™ OREGON LISTING CONTRACT FORM

Page 1 of 3
RMLS 06/2013

PROPERTY ADDRESS: 3231 SE Yamhill St **CITY, STATE** Portland **OR**

1. Exclusive Right to Sell. In consideration for the services to be rendered by the undersigned PRINCIPAL BROKER, the undersigned SELLER hereby grants to PRINCIPAL BROKER the exclusive right to sell the property located at the address set forth above and more particularly described on the RMLS™ Listing Data Input Form hereto attached (the "Property").

2. Term. This Agreement is effective when signed, and shall terminate at 11:59 p.m. on November 14, 2014. Date marketing to begin, including input into RMLS™, is May 14, 2014. SELLER further allows PRINCIPAL BROKER a reasonable time after termination of this Agreement to close any transaction on which earnest money is then deposited. No extension or renewal of this Agreement shall be effective unless it is in writing signed by SELLER and PRINCIPAL BROKER.

3. Right to Compensation. In consideration for the services herein described, SELLER shall pay PRINCIPAL BROKER the brokerage fee set forth in Section 17 below if SELLER sells or agrees to sell the Property during the term of this Agreement or any extension or renewal hereof, or if PRINCIPAL BROKER or any cooperating broker, including, but not limited to, a buyer's broker: (a) finds a buyer ready and willing to purchase the Property, or to lease the Property with an option to purchase the Property, for the price and terms set forth in the attached RMLS™ Listing Data Input Form or such other price and terms as SELLER may accept; (b) places SELLER in contact with a person to whom SELLER sells the Property or leases the Property with an option to purchase during the term of this Agreement or within Thirty (30) days after termination of this Agreement; or (c) is the procuring cause of an agreement to sell the Property or lease the Property with an option to purchase. Section 3 (b) and (c) above shall not apply if, following the termination of this Agreement, SELLER lists the Property for sale with another duly licensed real estate broker and if the application of such section(s) would result in SELLER'S liability for more than one brokerage fee. The term "sale" shall include any exchange, trade, or lease option to which SELLER consents. In the event of an exchange, trade, or lease option, PRINCIPAL BROKER is permitted to represent and receive compensation from both parties. SELLER hereby agrees to pay PRINCIPAL BROKER the compensation set forth in the following sentence in consideration of PRINCIPAL BROKER'S agreement to permit SELLER to terminate this Agreement before its expiration. If SELLER terminates this Agreement before its expiration or any extension hereof, and if no additional compensation is owed as provided in Section 3 (a) (b) or (c) above, SELLER shall pay the following percentage of the commission that would be due from a sale of the Property at the listing price: (i) if terminated within _____ () days after the date of this Agreement (forty-five [45] if left blank), _____ percent (25% if left blank); or (ii) if terminated more than _____ () days after the date of this Agreement (forty-five [45] if left blank), _____ percent (50% if left blank). SELLER shall pay the compensation set forth in the preceding sentence to PRINCIPAL BROKER contemporaneously with SELLER'S termination of this Agreement, but such payment shall not relieve SELLER from the obligation to pay the balance of the compensation provided for in Section 3 (a), (b) or (c) above should any event described in such subsections occur.

4. Services; Authority. PRINCIPAL BROKER will market the Property, and in connection therewith, SELLER hereby authorizes PRINCIPAL BROKER to do the following: (a) place a "for sale" sign on the Property and to remove all other similar signs; (b) turn on, or leave on, all utilities serving the Property and authorize utility providers to do so in order to show the Property, all at SELLER'S expense; (c) obtain and disclose any information pertaining to any present encumbrance on the Property; (d) if authorized pursuant to Section 12 below, obtain a key to the Property and place such key in a lock box on the exterior of the Property, with recognition that SELLER bears any risk of loss or damage associated with the use of such lock box (SELLER should consult SELLER'S homeowner's insurance policy to determine coverage); (e) have access to Property for purposes of showing it to prospective buyers at any reasonable hour; (f) place information regarding this listing and the Property in the RMLS™ Multiple Listing Service; (g) accept deposits on SELLER'S behalf. PRINCIPAL BROKER is authorized to cooperate with other brokers and to divide with such other brokers any commissions or compensation payable under the Agreement; and (h) communicate with SELLER by telephone, facsimile and/or e-mail even after the term of this Listing. Seller hereby authorizes RMLS™ to use, relicense, repurpose, display and otherwise deal with photos and data regarding the Property, without compensation to the SELLER. Such authority shall survive expiration or termination of this Agreement.

5. Agency. Seller has received and read a copy of the Initial Agency Disclosure Pamphlet.

6. SELLER'S Representation and Warranties. SELLER hereby represents and warrants to PRINCIPAL BROKER: (a) that the undersigned SELLER has full authority to enter into this Agreement and to convey the Property to a buyer; (b) that SELLER has completed the Disclosure Statement referred to in Section 11, if any, accurately based upon SELLER'S personal knowledge and information, and PRINCIPAL BROKER has not made any statement, representation,

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 n
Sellers' Initials

RMLS™ OREGON LISTING CONTRACT FORM (continued)

Page 2 of 3
RMLS 06/2013

PROPERTY ADDRESS: 3231 SE Yamhill St CITY, STATE Portland OR

warranty, investigation, test or other inquiry into the accuracy or adequacy of SELLER'S disclosures; (c) the information on the attached Listing Data Input Form is correct and complete; (d) as of the date(s) of the sale of the Property and transfer of possession, all aspects of the Property will be in substantially their present condition and free of material defects, except as disclosed in writing to PRINCIPAL BROKER; and (e) before closing of any transaction, SELLER will install an approved smoke detector and approved carbon monoxide detector(s) in the building(s) located on the Property, as required by law.

7. **Indemnity.** SELLER shall defend, indemnify and hold harmless PRINCIPAL BROKER, its licensees and any cooperating broker and its licensees from any liability, claims, damages, causes of action or suits arising out of, or relating to any breach of the representations and warranties set forth herein or in any agreement for the sale of the Property, and from the failure to disclose any material information to PRINCIPAL BROKER relating to the Property.

8. **Attorney's Fees.** If PRINCIPAL BROKER or any cooperating broker refers this Agreement to an attorney for collection of the compensation due hereunder, SELLER shall pay the costs and reasonable attorney's fees of PRINCIPAL BROKER or any cooperating broker regardless of whether mediation is conducted or arbitration or litigation is filed. If mediation is conducted or if arbitration or litigation is filed in connection with any dispute relating to this Agreement, the prevailing party shall be entitled to its attorney's fees and costs in connection with such mediation, arbitration or litigation and in any appeal therefrom and enforcement thereof.

9. **Compliance with Law.** SELLER shall comply with all laws relating to the Property and the sale thereof, including without limitation, the obligation to offer the Property for sale to any person without regard to age, race, color, religion, sex, handicap, marital status, familial status, or national origin.

10. **Dispute Resolution.** SELLER and PRINCIPAL BROKER, including the licensees of each, if any, agree that all claims, controversies or disputes, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this Agreement, shall be resolved in accordance with the procedures set forth herein which shall expressly survive closing. Provided, however, the following matters shall not constitute Claims: (a) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract, or recorded construction lien; (b) a forcible entry and detainer action; (c) any dispute between REALTORS® which is subject to the Professional Standards Arbitration provisions of the National Association of REALTORS®. The filing of a notice of pending action ("lis pendens") or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to use the procedures specified below.

Notwithstanding the following provisions, SELLER, PRINCIPAL BROKER and the licensees, if any, mutually agree that all Claims within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other court of law.

If SELLER was represented in this transaction by a licensee who was then a member of the National Association of REALTORS®, all claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS® or other organization-adopted mediation program (collectively the "System"). Provided, however, if the System is not then available through the licensees' Association of REALTORS®, then the SELLER, PRINCIPAL BROKER and/or licensees shall not be required to engage in mediation. *THE TERMS AND CONDITIONS OF THAT CERTAIN AGREEMENT OF EVALUATE HEREBY ARE INCORPORATED IN THIS AGREEMENT.*

All claims that have not been resolved by mediation, or otherwise, shall be submitted to final and binding private arbitration in accordance with Oregon Laws. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. SELLER, PRINCIPAL BROKER and/or their licensees may use any professional arbitration company which provides such service to the county where the Property is located, as selected by the party first filing for arbitration. Provided, however, if no arbitration company has available services when the Claim arose, neither SELLER, PRINCIPAL BROKER, nor their respective licensees, if any, shall be required to participate in arbitration.

BY CONSENTING TO THIS PROVISION YOU ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND YOU ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

11. **Disclosure Statement.** Unless exempt, SELLER has completed a Seller's Property Disclosure Statement regarding the Property as provided by Oregon law, and SELLER hereby authorizes BROKER to: (a) deliver a copy of such Disclosure Statement to any prospective Buyer; and (b) rely solely upon SELLER'S representations set forth in this Agreement and in the Disclosure Statement without further inquiry or diligence on BROKER'S part.

12. **Lock Box.** SELLER does does not (check one) authorize PRINCIPAL BROKER to place a lock box on the Property.



Sellers' Initials

RMLS™ OREGON LISTING CONTRACT FORM (continued)

Page 3 of 3
RMLS 06/2013

PROPERTY ADDRESS: 3231 SE Yamhill St CITY, STATE Portland OR

13. Internet. SELLER does does not (check one) authorize PRINCIPAL BROKER to advertise the property on the Internet.

14. FIRPTA. In general, the sale or other disposition of a U.S. real property interest by a foreign person is subject to income tax withholding under the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA). A "foreign person" includes a non-resident alien individual, foreign corporation, foreign partnership, foreign trust and foreign estate. If FIRPTA applies, the buyer or other qualified substitute may be legally required to withhold this tax at closing. In order to avoid closing delays, SELLER is requested to initial one of the two statements:

 / SELLER warrants and represents to BROKER and BROKER'S Firm that SELLER is not a foreign person under FIRPTA.

 / SELLER is a foreign person under FIRPTA.

15. Additional Provisions. _____

16. Modification. No provision of this Agreement, including, without limitation, the amount of the brokerage fee set forth in section 17, may be modified except in writing signed by SELLER and by PRINCIPAL BROKER.

17. Brokerage Fee. SELLER shall pay a brokerage fee as set forth in Section 3 above in an amount equal to 6.000 % of the selling price or option exercise price of the Property or \$. SELLER hereby irrevocably assigns to PRINCIPAL BROKER the proceeds of such transaction to the extent of PRINCIPAL BROKER'S fee and irrevocably instructs the escrow agent, if any, to pay PRINCIPAL BROKER'S fee at closing out of such proceeds. List Price \$ 360,000.00. In the event of forfeiture of earnest money for any transaction relating to this listing service agreement, the earnest money shall be disbursed as follows: SELLER 100.000 % PRINCIPAL BROKER % OR (check if applicable) to PRINCIPAL BROKER to the extent of the brokerage fee, with balance to SELLER.

Date of BROKER'S signature: 5/14/2014 | 10:01 PT
BROKER Signature: *Covio Gesso* SELLER Date of SELLER'S signature: 5/20/14
Covio Gesso SELLER *[Signature]*

FIRM NAME John L Scott SELLER Portland General Electric COMPANY
BY MIKE LIVINGSTON, MANAGER

Date of PRINCIPAL BROKER'S signature: _____ (if legal representative or attorney-in-fact state capacity and name of real party in interest)

PRINCIPAL BROKER Signature _____ ADDRESS _____

Phone (503) 775-4699 Phone (w) _____ (h) _____

ADDENDUM TO RMLS OREGON LISTING CONTRACT FORM

THIS ADDENDUM is made and entered into as of the date of the last signature below, by and between *Portland General Electric Company*, an Oregon Corporation ("Seller"), and *John L Scott* ("Principal Broker"), and relates to that certain RMLS Oregon Listing Contract Form ("Listing Agreement") for that certain real property located at 3231 SE Yamhill Street, Portland, Multnomah County, Oregon 97214 (the "Property").

FOR VALUABLE CONSIDERATION, the current receipt, reasonable equivalence, and sufficiency of which is hereby acknowledged by Seller and by Principal Broker, the parties each hereby agree as follows:

1. *Conditions Precedent to Sale/Closing.* Seller's obligation to sell the Property is contingent upon and subject to Seller obtaining Seller's Senior Management approval of any agreement to sell the Property and also obtaining approval of any agreement to sell the Property from the Oregon Public Utility Commission, each upon terms and conditions acceptable to Seller.
2. *Tenant.* The property occupied by a tenant(s) and is not available for showing without the prior written consent of Seller in each instance. Principal Broker shall exercise due care not to disturb the tenants of the Property and, unless otherwise approved in advance by Seller in each instance, shall only show the Property during the hours of 10:00 am – 6:00 pm.
3. *AS IS.* Seller has never occupied the Property or any of the improvements thereon. The Property is located adjacent to an electrical substation operated by Seller. Other than Seller's representations and warranties specifically set forth in writing, Seller is selling the Property AS IS, WHERE IS, WITH ALL FAULTS without any representation or warranty whatsoever with respect to the condition of the Property, value, or its fitness for any particular use. Seller is has no current actual knowledge of any major structural defects or any lead paint, mold, or other health or environmental conditions; however, due to the age of the improvements on the Property one or more of such conditions are likely to exist.
4. *Sale Only.* This Agreement only relates to the sale of the Property for cash at Closing; all references to the exchange, trade, lease or lease option of the Property are hereby deleted.
5. *Section 2, Term.* The last sentence of the paragraph is modified to read as follows: "SELLER further allows PRINCIPAL BROKER a reasonable time after termination of this Agreement to close any transaction in which earnest money is then deposited in accordance with an offer which has been accepted by SELLER."
6. *Section 3, Right to Compensation,* is deleted in its entirety and replaced with the following: "In consideration for the services herein described, SELLER shall pay PRINCIPAL BROKER the brokerage fee set forth in Section 16 below if SELLER sells or agrees to sell the Property during the term of this Agreement or any extension or renewal hereof, or if PRINCIPAL BROKER or any cooperating broker, including, but not limited to, a buyer's broker: (a) finds a buyer ready and willing and financially qualified to purchase the Property, for the price and terms set forth in the attached RMLS Listing Data Input Form or such other price and terms as SELLER may accept; (b) places SELLER in contact with a person to whom SELLER sells the Property the Property during the term of this Agreement or within Thirty (30) days after termination of this Agreement; or (c) is the procuring cause of an agreement to sell the Property during the term. Section 3 (b) and (c) above shall not apply if, following the termination of this Agreement, SELLER lists the Property for sale with another duly licensed real estate broker and if the application of such section(s) would result in SELLER'S liability for more than one brokerage fee. If SELLER terminates this Agreement before its expiration or any extension hereof, and if no additional compensation is owed as provided in Section 3 (a) (b) or (c) above, no commission will be due from SELLER."
7. *Section 4, Services Authority.* Section 4(f) is deleted in its entirety and replaced with the following: "(g) accept deposits on SELLER'S behalf in conjunction with bona fide written offers." In addition, the second to last sentence of Section 4 is deleted in its entirety and replaced with the following: "Seller hereby authorizes RMLS to use, relicense, repurpose, display and otherwise deal with photos and data regarding

the Property (but not any logo or other intellectual property of Seller), without compensation to the SELLER."

8. Section 6, *Seller's Representations and Warranties*. Seller's representations and warranties with respect to any matter arising under the Listing Agreement or with respect to the sale of the Property are each limited to and shall be construed to be limited to the current actual knowledge of Mike Livingston, Manger of PGE Property Services.

9. Section 7, *Indemnity*, is deleted in its entirety and replaced with the following: "SELLER shall indemnify, hold harmless, and defend PRINCIPAL BROKER, and its licensees and any cooperating broker and its licensees (each an "indemnified person"), from and against any and all claims and actions to the extent directly resulting from SELLER's breach of the representations and warranties set forth herein or in any agreement for the sale of the Property, and from the failure of SELLER to disclose to PRINCIPAL BROKER any material information actually known to Seller (Mike Livingston) directly relating to the Property. Notwithstanding anything to the contrary, SELLER shall not be liable in respect of (and the foregoing indemnity shall not cover) any claim, damage, loss, liability, cost or expense to the extent the same resulted from the negligence or willful misconduct of any indemnified person."

10. Section 8, *Attorney Fees*, is modified to provided that the provision is reciprocal in favor of Seller.

11. Section 9, *Compliance with Laws*, is modified to provided that the provision is reciprocal in favor of Seller.

12. Section 11, *Disclosure Statement*, is deleted in its entirety and replaced with the following: "Unless exempt, SELLER has completed a Seller's Property Disclosure Statement regarding the Property as provided by Oregon law, and SELLER hereby authorizes BROKER to: (a) deliver a copy of such Disclosure Statement to any prospective Buyer; and (b) rely upon SELLER'S representations set forth in this Agreement and in the Disclosure Statement."

13. Section 16, *Brokerage Fee*, is deleted in its entirety and replaced with the following: "SELLER shall pay a brokerage fee as set forth in Section 3 above in an amount equal to 6.00 % of the selling price of the Property. List Price is \$ 360,000.00. In the event of forfeiture of earnest money for any transaction relating to this listing service agreement, the earnest money shall be disbursed as follows: SELLER 100.00%."

14. *Limitation of Liability*. In no event shall either party be liable to the other for any lost or prospective profits or any other special, punitive, exemplary, consequential, incidental or indirect losses or damages (in tort, contract or otherwise) under or in respect of this Agreement or for any failure or performance related hereto howsoever caused, whether or not arising from a party's sole, joint or concurrent negligence and whether or not such party has been advised of the possibility of such damages.

15. *Controlling Agreement*. In the event of any conflict between any other part of the Listing Agreement and this Amendment, the terms and conditions of this Amendment shall control. To the extent that this Amendment may have been executed following any effective dates set forth herein, said effective dates are hereby ratified, confirmed, and approved. This Amendment may be executed in counterparts, and such counterparts together shall constitute but one original of the Amendment. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.

JOHN L SCOTT

PORTLAND GENERAL ELECTRIC COMPANY

By: _____

By: MLJ

Printed Name: _____

Printed Name: Mike Livingston

Title: _____

Title: Manager, Property Services

Date: May , 2014

Date: May 26, 2014

DocuSign Envelope ID: 37DF92A1-F17E-421E-A932-7864A5B2DC36



DISCLOSED LIMITED AGENCY AGREEMENT FOR SELLERS

1 Real Estate Firm John L. Scott

2 The Parties to this Disclosed Limited Agency Agreement are:

3 Listing Licensee (print) Corie Gosse

4 Listing Licensee's Principal Broker (print) ALL Principal Brokers @JLS

5 Seller (print) Portland General Electric Company Seller (print) _____

6 The parties to this Agreement understand that Oregon law allows a single real estate agent to act as a disclosed limited agent to represent both the
7 seller and the buyer in the same real estate transaction, or multiple buyers who want to purchase the same property. It is also understood that
8 when different agents associated with the same principal broker (the broker who directly supervises the other agents) establish agency
9 relationships with the buyer and seller in a real estate transaction, the agents' principal broker shall be the only broker acting as a disclosed limited
10 agent representing both seller and buyer. The other agents shall continue to represent only the party with whom they have an established agency
11 relationship, unless all parties agree otherwise in writing.

12 In consideration of the above understanding, and the mutual promises and benefits exchanged here and in the Listing Agreement, the parties now
13 agree as follows:

14 1. Seller(s) acknowledge they have received the Oregon Real Estate Agency Disclosure Pamphlet required by ORS 696.820 and have read and
15 discussed with the Listing Agent that part of the pamphlet entitled "Duties and Responsibilities of an Agent Who Represents More than One Client
16 to a Transaction." The Oregon Real Estate Agency Disclosure Pamphlet is hereby incorporated into this Disclosed Limited Agency Agreement by
17 reference.

18 2. Seller(s), having discussed with the Listing Agent the duties and responsibilities of an agent who represents more than one party to a
19 transaction, consent and agree as follows:

20 (A) The Listing Agent and the Listing Agent's Principal Broker, in addition to representing Seller, may represent one or more buyers in a
21 transaction involving the listed property;

22 (B) In a transaction involving the listed property where the buyer is represented by an agent who works in the same real estate business
23 as the Listing Agent and who is supervised by the Listing Agent's Principal Broker, the Principal Broker may represent both Seller and
24 Buyer. In such a situation, the Listing Agent will continue to represent only the Seller and the other agent will represent only the Buyer,
25 consistent with the applicable duties and responsibilities as set out in the Oregon Real Estate Agency Disclosure Pamphlet; and

26 (C) In all other cases, the Listing Agent and the Listing Agent's Principal Broker shall represent Seller exclusively.

27 Seller Signature [Signature] Date 5/20/14 a.m. p.m. ←

28 Seller Signature BY MIKE WINSTON MANAGER PROPERTY SERVICES Date _____ a.m. p.m. ←

29 Listing Licensee's Signature [Signature] Date 5/14/2014 | 10:01 PT a.m. p.m. ←

(On her own and on the Principal Broker's behalf)
Corie Gosse

DocuSign Envelope ID: 37DF92A1-F17E-421E-A932-7884A5B2DC36



Regional Multiple Listing Service

RESIDENTIAL DATA INPUT FORM

Border Indicates Required Field

Number in () indicates how many selectors to choose or circle. Screened number indicates how many characters will fit on a line or space. For Auction Listings check Auction. For Range Price Listings check Range \$ and use the Min and List/Max Price field boxes. The following Supplement Forms are available: Auction, Condo, Apartments, Additional Structure(s), Farm and Ranches and Water Rights.

PROPERTY TAX ID# R260577 AREA 143 AUCTION MIN LIST/MAX PRICE 360000 ADDRESS 3231 SE Yamhill St UNIT CONDO UNIT LOCATION (1) TOWNHSE UPPER SRGND MAIN LOWER CITY Portland ZIP 97214 CC&R (1) FARM (1) NEIGHBORHOOD/BUILDING Sunnyside PROPERTY TYPE (1) ATTACHED CONDO DETACHED FLTHOME IN-PARK PARTOWN PUD RES-MFG LEGAL Sunnyside&Plat 2&3 Block 23 Lot 9 Dept of Revenue ZONING R 2.5 COUNTY (1) Mult MAP COORD 598 A 7 LIST TYPE (1) ER EA LIMITED REPRESENTATION OFFERS/NEGO INSTRUCTIONS (1) CALL-LA LA-ONLY SEEDOCS SELLER ELEMENTARY SCHOOL (2) Sunnyside MIDDLE SCHOOL HIGH (2) SCHOOL Franklin

GENERAL

LOT SIZE (1) 0-2,999SF 3K-4,999SF 5K-6,999SF 7K-9,999SF 10K-14,999SF 15K-19,999SF 20K-29,999SF 30K-39,999SF 40K-49,999SF 50-99,999SF 100-199,999SF 200AC+ # ACRES LOT DIMENSIONS SELLER DISCLOSURE (1) DISCLOSURE EXEMPT WATERFRONT (1) BAY CREEK LAKE OCEAN RIVER OTHER LOT DESC (4) AIRSTRIP BCH-1/4 BLUFF BUSLINE CLAIM COMMONS CORNER CULDSAC FLAGLOT FLOODZN GATED GEN-SLP GOLFCE GRNBLT HILLY LEVEL LSD-LND LT-RAIL MCHTMM POND PRIVATE RPROTIM SECLEDD SHP-1/4 SLOPED STRTCAR VIEW (3) BAY CITY CREEK DUNES GOLFCE LAKE MNTAIN OCEAN PARK POND RIVER SEASONL TERRITH TREES VALLEY

RESIDENCE

SQUARE FOOTAGE (EXCLUDING ATTACHED GARAGE) UPPER MAIN LOWER ADDITIONAL SQFT UPPER MAIN LOWER TOTAL SYST CALCD SOURCE OF INFO. FOR SQFT Appraisal NOTE: TOTAL SQUARE FOOTAGE IS AS REPORTED BY THE LISTING BROKER. FOR SOURCE OF INFORMATION AND DESCRIPTION OF SQUARE FOOTAGE, CONTACT THE LISTING BROKER. SQUARE FOOTAGE INCLUDES FINISHED AND UNFINISHED AREAS (EXCLUDING ATTACHED GARAGE) AND IS NOT INTENDED TO REPRESENT "LEGAL" OR "LIVABLE" SQUARE FOOTAGE. YEAR BUILT 1902 YEAR BUILT DESC (1) APPROX FIXER NEW PROPOSED RESHIST REMOD RESALE RESTORED ROOF (1) BUILTUP COMP FIBRGLS FLAT # BDRMS 3 # LVLS 2 GREEN CERT. (1) CERTRET EASTAR EN-STAR EARTHAD LEED-HC LEED-HS LEED-HG LEED-HP LEED-NCC LEED-NC LEED-ND LEED-NDP LEED-ND PSVHAUS GREEN CERT. OBTAINED (1) YES YEAR OF GRN CERT. # GARAGE 0 GARAGE DESC (1) ATTACHED AVAIL CARPORT CONVERTD DETACHD EXTDEEP OVRSIZE PTCVMT SHARED TANDEM # FIREPLACES 0 SENIOR 55+ (Qualifies for Fair Housing Law Exemption/Affidavit Required) YES/NO HOME WARRANTY YES/NO PARKING (2) CARPORT CEDED DRIVEWAY OFF-STR PAD RV-PARK STREET NONE OTHER FIREPLACE DESC (3) GAS INSERT PELLSTY PROPANE STOVE WOOD STYLE (2) 1STORY 2STORY A-FRAME BUNGALC CABIN CAPECOD CHALEY COLORIL COMMMAL CONT-FR CONTEMP COTTAGE CRAFTSM CUSTOM DAYRANCH DBL-WDE DETCNDD DOME DITCHCOL ENGLISH FARMHSE GEORGIN LIV-WRK LODGE LOFT LOG MANUPHS MEDIT MIDCMOD MODULAR OLD-POK PRAIRIE PREFAB RANCH ROW SALTBOX SH-WDE SPLIT STUDIO TANDEM TMBRFRM TOWNHSE TRAD TRJ TR-WDE TUDOR VICT OTHER EXT DESC (2) ALUM ASBESTS BLOCK BRD&BTN BRICK CEDAR CULSINE EIFS FIBRCM HCSJUCC LAP LOG MANMADE METAL OSB PANEL PLYWOOD SHAKE SHINGLE STONE STUCCO T-11 TNG/GRV VINYL WOOD WOODCO& OTHER BASEMENT/FOUNDATION (3) BLOCK CONCRET CRAWLSP DAYLITE DIRT FINISHD FULLBAS NO-BAS NO-FND OS-ENTR PARTBAS PARTFN PERIMTR PIR&PST REPLYOY SKIRTING SLAB STEMWLL UNFIN OTHER

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INPUT

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SELLER(S) INITIALS

John L. Scott Real Estate, 4111 SE Woodstock Portland, OR 97202 Phone: (503)320-7468 Fax: 503-210-7003 Corine Gosse

3231 SE Yamhill St

DocuSign Envelope ID: 37DF92A1-F17E-421E-A932-7884A5B2DC36



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ML# _____ SYSTEM ASSIGNED _____ ADDRESS 3231 SE Yamhill St
Portland, OR 97214

REMARKS

XSTR/DIR: SE 32nd

PRIVATE (MAX 250 CHARS) Buyer to verify sq ft and property taxes. Allow several business days for acceptance. Accepted offer must be submitted to PUC for final approval

PUBLIC (MAX 440 CHARS) Charming victorian with plate rails and built in adorning the dining room. Fireplace in living room. This won't last long

NO PERSONAL PROMOTION OR BROKER/OWNER CONTACT INFORMATION ALLOWED IN THIS SECTION.

AUTHORIZATION TO POST ON PUBLIC INTERNET SITES: LISTING YES / NO PROPERTY ADDRESS (WHERE PERMITTED) YES / NO

DISABLE SPECIFIC VOW AND IDX FUNCTIONALITY: DISABLE 3RD PARTY COMMENTS YES / NO DISABLE AVM YES / NO

VIRTUAL TOUR _____ NO PERSONAL PROMOTION OR BROKER/OWNER CONTACT INFORMATION ALLOWED IN THE VIRTUAL OR VIDEO TOUR(S)

VIDEO TOUR _____

APPROX ROOM SIZES & DESCRIPTIONS

BATHS		ROUND ALL MEASUREMENTS DOWN TO NEAREST FOOT.			
#FULL	#PART	ROOM	LEVEL (1)	SIZE	FEATURE EACH ROOM (3)
UPPER		MASTER BEDROOM	<input type="checkbox"/> L <input type="checkbox"/> M <input checked="" type="checkbox"/> U	X	
MAIN	1	2ND BEDROOM	<input type="checkbox"/> L <input type="checkbox"/> M <input checked="" type="checkbox"/> U	X	
LOWER		3RD BEDROOM	<input type="checkbox"/> L <input checked="" type="checkbox"/> M <input type="checkbox"/> U	X	
TOTAL	1	LIVING	<input type="checkbox"/> L <input checked="" type="checkbox"/> M <input type="checkbox"/> U	X	
SYST CALCD		KITCHEN	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	
		DINING	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	
		FAMILY	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	
		ADD. RM. #1 (1) Nook	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	
		ADD. RM. #2 (1)	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	
		ADD. RM. #3 (1)	<input type="checkbox"/> L <input type="checkbox"/> M <input type="checkbox"/> U	X	

- ADDITIONAL ROOM DESCRIPTION
- 2NDKIT 4TH-BD 5TH-BD 8TH-BD
 - ATRIUM BONUS DARK-RM DENOFF
 - EATAREA ENTRY FAMILY GREAT-R
 - GSTOTR HOTUB-R LIBRARY LOFT
 - MEDIA MSTBATH MUD-RM NOOK
 - SAUNA SHOP STORAGE SUNPRCH
 - SLNROOM UTILITY WINECEL
- ROOM FEATURES
- 3RD-FLR 4TH-FLR AIRCLN AMNFORM APP-GAR BALCONY BAMB-FL BATH BATHUB BAYWIND BEAMS BI-DOWN
 - BI-GRILL BI-HTUB BI-MICO BI-OVER BI-RANG BI-REFR BI-VACM BI-WINS BTL-PAN CEILFAN CLO-ORG
 - CLOSET COMPCTR CONVECT COOKHS CORK-FL COUNKIT COVED DAYLITE D-DRAFT DECK DISHWAS
 - DISPOSL DMRWAIT DRES-RM EATAREA EAT-BAR ESTARAP FIREPL FORMAL FPL-INS FRANKT FS-RANG FS-RANG
 - FS-REFR GALLEY GASAPPL 6DN-WIN GOURMET GRANITE GREAT-R HARDWOOD HEATILA HI-CEIL HISPEED HOME-TH
 - HUMIDFR INST-HW INTRCOM ISLAND JET-TUB KITCHR KITCHEN L-SHAPE LAM-FL LINS-FL LOFT LRADR LRDR
 - MARBLE NOCK PANTRY PAS-SOL PATIO PLB-ICE POOL QUARTZ REC-MTR REMOD SAUNA SEWING
 - SH-BATH SHOWER SINK SKYLITE SLATEFL SLIDER SOAKTUB SOLTUBE SOUNSYS STMDOOR STAWIND STORAGE
 - STUJDO SUITE SUNKEN TILE-FL TUB-SHW VAULTED VINYL-FL VYW-DBL WAINSCO WASHDRY WAT-FLR WATSOFT
 - WDW-DBL WET-BAR WHIRLPL WI-CLOS WOODFLR WOODSTV WTRFEAT WW-CARP

- FEATURES
- KITCHEN (10)** APP-GAR BI-DOWN BI-GRILL BI-MICO BROVEN BI-RANG BI-REFR BTL-PAN COMPCTR CONVECT COOKHS COOKTOP D-DRAFT
 - DISHWAS DISPOSL ESTARAP FS-RANG FS-REFR GASAPPL GRANITE INST-HW ISLAND MARBLE PANTRY PLB-ICE QUARTZ
 - SSAPPL TILE WAT-PUR WINECLR
 - INTERIOR (10)** 3RD-FLR 4TH-FLR AIRCLN BI-VACM BIV-ROY BAMB-FL CEILFAN CORK-FL DMRWAIT DUALFLT ELEVATR FURNSHD GAR-OPN
 - GRANITE GWTRREC HARDWOOD HEATILA HISPEED HOME-TH HOOKUP HRVNTS HUMIDFR INPOOL INTRCOM JET-TUB LAM-FL
 - LAUNDRY LINS-FL LOVOCMT LSSECUR MARBLE CWSECUR PAS-SOL QUARTZ REC-MTR SEPLVQT SLATEFL SOAKTUB SOLTUBE
 - SOUNSYS SPRNKLR TILE-FL VINYL-FL WAINSCO WASHDRY WATFLT WATSOFT WOODFLR WSPKTR WYW-CARP
 - EXTERIOR (10)** 2ND-GAR 2ND-RES 4XONLY ADU ALUMWIN ARENA ATHL-CT BARN BBQ-PIT BI-HTUB BOAT-HS BOATACS CORRAL
 - COVARNA COVPAT COWDECK DECK DIRTRD DDOCK DOG-RUN FENCED FS-HTUB GARDEN GASHKUP GAZEBO GRAVLRD
 - GRN-HSE GSTOTR HIKE OUT-FPL OUTBULD PATIO PAVEDRD POOL PORCH FRVRD PUBLCRD RAINCOL RDSPLIT HDSPLIT
 - RW-GAR RW-HKUP SATDISH SAUNA SECLIT SHCP SPRNKLR STMDOOR STAWIND TENNIS TL-SHED VYW-DBL VYW-TRP
 - WDW-DBL WDW-TRP WDIRRIG WTRFEAT X-FENCE XERISCP YARD
 - ACCESSIBILITY (10)** 1LEVEL BATHCAS BATHSZ BINLITE CAREGTR ELEVATR GRGMAIN GRNDLVL KITCAS LANDING MINSTEP MINDBETH NATLITE
 - PARKING PASTACC PATHWAY RAMP ROLLSHR STAFAS STAFAS UTLMAN WALKSHR WD-DOOR WD-HALL
 - ENERGY EFFICIENCY (6)** ESAC ESTARAP FOR-90 FOR-95+ GEOTHERM HT-PUMP HTEXNGR INSU-CL MINISPT PAS-SOL PRTOINS PRTWINS SOL-HW
 - SOL-OFF SOL-PV SOL-RAD SOLAF TKNLESS VYW-DBL VYW-TRP WDW-DBL WDW-TRP WAINSU ZONAL

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ML# _____ ADDRESS 3231 SE Yamhill St
 SYSTEM ASSIGNED _____ PORTLAND, OR 97214

UTILITIES

COOL (1) A-READY CENTAIR ESAC HT-PUMP HTEXNBR SWAMP WALL WINDOW XASTFAN NONE OTHER

HOT WATER (2) ELECT EN-STAR GAS PROPANE RECRO SOL-HW TANK TINKLESS OTHER

HEAT (2) (1 REQD + 1) ACT-SOL BASEBRD CEILING EN-STAR FLOOR FOR-90 FOR-95+ FOR-AIR GRAVITY HOT-WAT HT-PUMP HTEXNBR LEASED
 MINISPT PAS-SOL RADIANT WALL WOODSTV ZONAL NONE OTHER

FUEL (2) (1 REQD + 1) ELECT GAS GEOTHERM OIL PROPANE SOL-OFF SOL-SUP SOLAR WOOD NONE OTHER

WATER (2) (1 REQD + 1) CISTERN COMMUNY PRIVATE PUBLIC SH-WELL SPRING WELL OTHER

SEWER (2) (1 REQD + 1) CESSPOL COMMUNY PDS PUB-AVL PUBLIC SANCLFT SEPTIC SH-SEP STD-SEP OTHER

FINANCIAL

PROP TAX PER YR 0.00 SPCL ASMT BALANCE \$ _____ TAX DEFERRAL YES / NO BAC 2.7 TYPE(1) % \$

SHORT SALE YES / NO 3RD PARTY TO TRANSACTION YES / NO BANK OWNED / REO YES / NO TOTAL COMMISSION DIFFERS YES / NO
SALE REQUIRES APPROVAL OF 3RD PARTY Due to Pending Foreclosure, Refo, Bank Trustee, etc. *PROPERTY IS CURRENTLY TAXED AS RENTAL. SELLER TO DETERMINE AMOUNT FOR ALLOCATION PERIOD PRIOR TO CLOSING*

PRE-APPROVED SHORT SALE PRICE YES / NO WASHINGTON STATE ONLY: BANKRUPTCY YES / NO

HOA YES / NO HOA DUES \$ _____ HOA FREQUENCY (1) 1-TIME MO QTR 6MO YR
 OTHER DUES \$ _____ OTHER FREQUENCY (1) 1-TIME MO QTR 6MO YR

ESCROW PREFERENCE Chicago Title RENT, IF RENTED \$ _____

TERMS (4) (1 REQD + 3) ASSMP CALL-LA CASH CDNV FCS FJA FMHA LEAS-OP DWC2ND OWNCONT REHAB SSI TRADE
 USDA VA OTHER

HOA/ SPACE RENT/ (9) SLIP RENT INCLUDES ATHL-CT CASLETY CENTAIR CNCRGR COMMONS ELECT EXTMANT GARBAGE GAS GATED GYM
 HEAT HOT-TUB HOT-WAT INS INTERNET LAP-PL LAUNDRY LIBRARY LKESMNT LNDSPG MGMT
 MTGROOM POOL PTYROOM REC-FAC RGT-BL SAT-TV SAUNA SEWER SLIP SNO-REM TANBDS
 TAXES TENNIS UTILIES WATER WTRM

BROKER/AGENT DATA

BKB CODE _____ LISTING OFFICE John I. Scott PHONE _____ FAX _____

LPID _____ LISTING AGENT Corie Gosse PHONE _____ AGENT CELL/PGR _____

AGENT E-MAIL corieg@johnscott.com AGENT EXTENSION _____

CO-LIST LPID _____ CO-LIST BKR CODE _____ CO-LIST AGENT _____ CO-LIST AG PHONE _____

LIST DATE 05 / 14 / 2014 EXP DATE 11 / 14 / 2014 OCCUPIED BY (1) OWNER PROPOSD TENANT UNDRCON VACANT
 POSS (1) 30-60DA 60-90DA >90DAYS CLOSING NIMED NEGO ROD:1 SUBJ:EN

FIRPTA APPLIES YES / NO

LOCKBOX/ LOCATION/ COMBO Front OWNER Portland General Electric Co PHONE _____

SHOWING HOURS _____ TENANT/OTHER _____ PHONE _____

SHOW (3) (1 REQD + 2) 24HRNC AG-ACOM APTONLY BWO-PET CALL-LA CALL-LO CALL:ST CALLOWN CALLTEN CNCRGR COMBOBK DAY-SLP KEY-LO
 OTR:LBK OWN-OCG PROPOSD RMLS:LBX SEC-SYS SLEEPKMS UNDRCON VACANT



Sale Agreement # _____
Addendum _____

EXTERIOR SIDING / STUCCO / E.I.F.S. DISCLOSURE

1 Buyer(s) _____
 2 Seller(s) Portland General Electric Company
 3 Property Address 3231 SE Yamhill St, Portland, OR 97214

4 In addition to natural wood siding, commercially-made siding products have been used on the exterior of homes and other structures.
 5 Commercially-made siding products (hereinafter referred to as "Siding") have been used in lap (board), panel (sheet), Stucco (including Exterior
 6 Insulated Finishing Systems "E.I.F.S.") and other applications in a variety of textures. Some of these products have been involved in class action
 7 lawsuits. Buyer and Seller are advised that neither the Listing Licensee nor the Selling Licensee can guarantee when, if ever, claims from such
 8 lawsuits will be paid. Buyer(s) is/are advised that some claims that have been paid by companies pursuant to the terms of class action
 9 settlements have been less than initially promised or expected by the recipients.
 10 Buyer has the duty to pay diligent attention to any material defects which are known to Buyer or can be known by Buyer by utilizing diligent
 11 attention and observation.

SELLER'S DISCLOSURE

12 Disclosures contained in this form are provided by the Seller on the basis of Seller's actual knowledge of the Property at the time of
 13 disclosure. Seller agrees to notify Buyer of any material corrections or changes to the answers below.

- 15 1. Is all of the siding all-natural wood? Yes No Unknown
 16 2. Identify manufacturer(s) and product name(s) of Siding on all structures, if known: _____
 17
 18 3. Is the Siding covered by a warranty? Yes No Unknown
 19 4. Is the Siding involved in a class action lawsuit or court settlement? Yes No Unknown
 20 5. Are there any defects or problems with the Siding? Yes No Unknown
 21 6. Have there been any inspections of the Siding? Yes No Unknown
 22 If yes, attach copies if available.
 23 7. Have there ever been any claims filed for this Siding by you or by previous owners? Yes No Unknown
 24 a) If yes, when was the claim(s) filed? _____
 25 If yes, attach copies if available.
 26 b) Was there money received? Yes No Unknown
 27 c) Has any Siding been replaced? Yes No Unknown

28 Commercially-made siding can develop problems in the future which may necessitate repair or replacement and could affect the home's
 29 insurability. A professional siding inspection is recommended.

30 EXPLAIN ALL ANSWERS TO QUESTIONS NOS. 3-7 MARKED "YES"
 31 _____
 32 _____
 33 _____
 34 _____
 35 _____

36 Buyer _____ Date _____ ← Seller Jeff Date 5/20/14 ←
Portland General Electric Company
 37 Buyer _____ Date _____ ← Seller MANAGER PROPERTY SERVICES ←
 38 Selling Licensee _____ Listing Licensee Corie Gosse
 39 Selling Firm _____ Listing Firm John L. Scott

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OREF 025



SELLER'S PROPERTY DISCLOSURE STATEMENT

Property Address 3231 SE Yamhill St, Portland, OR 97214

INSTRUCTIONS TO THE SELLER

- 1 Please complete the following form. Do not leave any spaces blank. Please refer to the line number(s) of the question(s) when you provide your
- 2 explanation(s). If you are not claiming an exclusion or refusing to provide the form under ORS 105.475 (4), you should date and sign each page of
- 3 this disclosure statement and each attachment.
- 4 Each seller of residential property described in ORS 105.465 must deliver this form to each buyer who makes a written offer to purchase. Under
- 5 ORS 105.475 (4), refusal to provide this form gives the buyer the right to revoke their offer at any time prior to closing the transaction. Use only the
- 6 section(s) of the form that apply to the transaction for which the form is used. If you are claiming an exclusion under ORS 105.470, fill out only
- 7 Section 1.
- 8 An exclusion may be claimed only if the seller qualifies for the exclusion under the law. If not excluded, the seller must disclose the condition of the
- 9 property or the buyer may revoke their offer to purchase anytime prior to closing the transaction. Questions regarding the legal consequences of
- 10 the seller's choice should be directed to a qualified attorney.

DO NOT FILL OUT THIS SECTION UNLESS YOU ARE CLAIMING AN EXCLUSION UNDER ORS 105.470

- 12 Section 1. EXCLUSION FROM ORS 105.465 TO 105.490:
- 13 You may claim an exclusion under ORS 105.470 only if you qualify under the statute. If you are not claiming an exclusion, you must fill out
- 14 Section 2 of this form completely.
- 15 Initial only the exclusion you wish to claim.
- 16 _____ This is the first sale of a dwelling never occupied. The dwelling is constructed or installed under building or installation permit(s) #
- 17 _____ issued by _____.
- 18 _____ This sale is by a financial institution that acquired the property as custodian, agent or trustee, or by foreclosure or deed in lieu of foreclosure.
- 19 _____ The seller is a court appointed (Check only one): receiver personal representative trustee conservator guardian
- 20 _____ This sale or transfer is by a governmental agency.

21 **Signature(s) of Seller(s) Claiming Exclusion**

22 Seller NA Date _____ ← Seller _____ Date _____ ←
Portland General Electric Co

23 **Signature(s) of Buyer(s) Acknowledging Seller's Claim**

24 Buyer _____ Date _____ ← Buyer _____ Date _____ ←

IF YOU DID NOT CLAIM AN EXCLUSION IN SECTION 1, YOU MUST FILL OUT THIS SECTION.

- 26 Section 2. SELLER'S PROPERTY DISCLOSURE STATEMENT
- 27 **(NOT A WARRANTY) (ORS 105.465)**
- 28 NOTICE TO THE BUYER: THE FOLLOWING REPRESENTATIONS ARE MADE BY THE SELLER(S) CONCERNING THE CONDITION OF THE
- 29 PROPERTY LOCATED AT 3231 SE Yamhill St, Portland, OR 97214 "THE PROPERTY."
- 30 DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE
- 31 PROPERTY AT THE TIME OF DISCLOSURE. BUYER HAS FIVE BUSINESS DAYS FROM THE SELLER'S DELIVERY OF THIS SELLER'S
- 32 DISCLOSURE STATEMENT TO REVOKE BUYER'S OFFER BY DELIVERING BUYER'S SEPARATE SIGNED WRITTEN STATEMENT OF
- 33 REVOCATION TO THE SELLER DISAPPROVING THE SELLER'S DISCLOSURE STATEMENT, UNLESS BUYER WAIVES THIS RIGHT AT OR
- 34 PRIOR TO ENTERING INTO A SALE AGREEMENT.
- 35 FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY, BUYER IS ADVISED TO OBTAIN AND
- 36 PAY FOR THE SERVICES OF A QUALIFIED SPECIALIST TO INSPECT THE PROPERTY ON BUYER'S BEHALF INCLUDING, FOR EXAMPLE,
- 37 ONE OR MORE OF THE FOLLOWING: ARCHITECTS, ENGINEERS, PLUMBERS, ELECTRICIANS, ROOFERS, ENVIRONMENTAL
- 38 INSPECTORS, BUILDING INSPECTORS, CERTIFIED HOME INSPECTORS, OR PEST AND DRY ROT INSPECTORS.
- 39 Seller is is not occupying the property.

I. SELLER'S REPRESENTATIONS:

SELLER WOLK Date 5/20/14 ← SELLER _____ Date _____ ←
Portland General Electric Company
BY MIKE LINWICK
MANAGER PROPERTY SERVICES

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Buyer Initials TL / _____ Date _____

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SELLER'S PROPERTY DISCLOSURE STATEMENT

Property Address 3231 SE Yamhill St, Portland, OR 97214

40 The following are representations made by the seller and are not the representations of any financial institution that may have made or may make a
41 loan pertaining to the property, or that may have or take a security interest in the property, or any real estate licensee engaged by the seller or the
42 buyer.

43 *If you mark yes on items with *, attach a copy or explain on an attached sheet.

44 **1. TITLE**

- 45 A. Do you have legal authority to sell the property?..... Yes No Unknown
- 46 *B. Is title to the property subject to any of the following:..... Yes* No Unknown
 - 47 First right of refusal Option Lease or rental agreement Other listing Life estate
- 48 *C. Is the property being transferred an unlawfully established unit of land?..... Yes* No Unknown
- 49 *D. Are there any encroachments, boundary agreements, boundary disputes or
50 recent boundary changes?..... Yes* No Unknown
- 51 *E. Are there any rights of way, easements, licenses, access limitations or
52 claims that may affect your interest in the property?..... Yes* No Unknown
- 53 *F. Are there any agreements for joint maintenance of an easement or right of way?..... Yes* No Unknown
- 54 *G. Are there any governmental studies, designations, zoning overlays, surveys
55 or notices that would affect the property?..... Yes* No Unknown
- 56 *H. Are there any pending or existing governmental assessments against the property?..... Yes* No Unknown
- 57 *I. Are there any zoning violations or nonconforming uses?..... Yes* No Unknown
- 58 *J. Is there a boundary survey for the property?..... Yes* No Unknown
- 59 *K. Are there any covenants, conditions, restrictions or private assessments that affect the
60 property?..... Yes* No Unknown
- 61 *L. Is the property subject to any special tax assessment or tax treatment that may
62 result in levy of additional taxes if the property is sold?..... Yes* No Unknown

63 **2. WATER**

- 64 A. Household water
 - 65 (1) The source of the water is (check ALL that apply): Public Community Private Other
 - 66 (2) Water source information:
 - 67 *a) Does the water source require a water permit?..... Yes* No Unknown
 - 68 If yes, do you have a permit?..... Yes No Unknown NA
 - 69 *b) Is the water source located on the property?..... Yes* No Unknown NA
 - 70 If not, are there any written agreements for a shared water source?..... Yes* No Unknown NA
 - 71 *c) Is there an easement (recorded or unrecorded) for your access to or
72 maintenance of the water source?..... Yes* No Unknown
 - 73 d) If the source of water is from a well or spring, have you had any of
74 the following in the past 12 months?..... Yes No Unknown NA
 - 75 Flow test Bacteria test Chemical contents test
 - 76 *e) Are there any water source plumbing problems or needed repairs?..... Yes* No Unknown
 - 77 (3) Are there any water treatment systems for the property?..... Yes No Unknown
 - 78 Leased Owned
- 79 B. Irrigation
 - 80 (1) Are there any water rights or other rights for the property?..... Yes No Unknown
 - 81 * (2) If any exist, has the irrigation water been used during the last five-year period?..... Yes* No Unknown NA
 - 82 * (3) Is there a water rights certificate or other written evidence available?..... Yes* No Unknown NA
- 83 C. Outdoor sprinkler system
 - 84 (1) Is there an outdoor sprinkler system for the property?..... Yes No Unknown
 - 85 (2) Has a back flow valve been installed?..... Yes No Unknown NA
 - 86 (3) Is the outdoor sprinkler system operable?..... Yes No Unknown NA

87 **3. SEWAGE SYSTEM**

- 88 A. Is the property connected to a public or community sewage system?..... Yes No Unknown
- 89 B. Are there any new public or community sewage systems proposed for the property?..... Yes No Unknown
- 90 C. Is the property connected to an on-site septic system?..... Yes No Unknown
 - 91 (1) If yes, when was the system installed?..... Unknown NA
 - 92 (2) *If yes, was the system installed by permit?..... Yes* No Unknown NA
 - 93 (3) *Has the system been repaired or altered?..... Yes* No Unknown NA
 - 94 (4) Has the condition of the system been evaluated and a report issued?..... Yes No Unknown NA
 - 95 (5) Has the septic tank ever been pumped?..... Yes No Unknown NA
 - 96 If yes, when?..... NA
 - 97 (6) *Does the system have a pump?..... Yes* No Unknown NA
 - 98 (7) *Does the system have a treatment unit such as a sand filter or an aerobic unit?..... Yes* No Unknown NA
 - 99 (8) *Is a service contract for routine maintenance required for the system?..... Yes* No Unknown NA
 - 100 (9) *Are all components of the system located on the property?..... Yes* No Unknown NA
- 101 *D. Are there any sewage system problems or needed repairs?..... Yes* No Unknown
- 102 E. Does your sewage system require on-site pumping to another level?..... Yes No Unknown

SELLER [Signature] Date 5/20/14 SELLER _____ Date _____
 Portland General Electric Company By MIKE L. WILSON, MANAGER, REAL ESTATE SERVICES

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Buyer Initials _____ / _____ Date _____



SELLER'S PROPERTY DISCLOSURE STATEMENT

Property Address 3231 SE Yamhill St, Portland, OR 97214

104 **4. DWELLING INSULATION**

105 A. Is there insulation in the:

106 (1) Ceiling? Yes No Unknown

107 (2) Exterior walls? Yes No Unknown

108 (3) Floors? Yes No Unknown

109 B. Are there any defective insulated doors or windows? Yes No Unknown

110 **5. DWELLING STRUCTURE**

111 *A. Has the roof leaked? Yes* No Unknown

112 If yes, has it been repaired? Yes No Unknown

113 B. Are there any additions, conversions or remodeling? Yes No Unknown NA

114 If yes, was a building permit required? Yes No Unknown NA

115 If yes, was a building permit obtained? Yes No Unknown NA

116 If yes, was final inspection obtained? Yes No Unknown NA

117 C. Are there smoke alarms or detectors? Yes No Unknown

118 D. Are there carbon monoxide alarms? Yes No Unknown

119 E. Is there a woodstove or fireplace insert included in the sale? Yes No Unknown

120 *If yes, what is the make? _____

121 *If yes, was it installed with a permit? Yes* No Unknown NA

122 *If yes, is a certification label issued by the United States Environmental Protection Agency (EPA) or the Department of Environmental Quality (DEQ) affixed to it? Yes* No Unknown NA

124 *F. Has pest and dry rot, structural or "whole house" inspection been done within the last three years? Yes* No Unknown NA

125 *G. Are there any moisture problems, areas of water penetration, mildew odors or other moisture conditions (especially in the basement)? Yes* No Unknown

127 *If yes, explain on attached sheet the frequency and extent of problem and any insurance claims, repairs or remediation done.

128 H. Is there a sump pump on the property? Yes No Unknown

129 I. Are there any materials used in the construction of the structure that are or have been the subject of a recall, class action suit, settlement or litigation? Yes No Unknown

132 If yes, what are the materials? _____

133 (1) Are there problems with the materials? Yes No Unknown NA

134 (2) Are the materials covered by a warranty? Yes No Unknown NA

135 (3) Have the materials been inspected? Yes No Unknown NA

136 (4) Have there ever been claims filed for these materials by you or by previous owners? Yes No Unknown NA

137 If yes, when? _____

138 (5) Was money received? Yes No Unknown NA

139 (6) Were any of the materials repaired or replaced? Yes No Unknown NA

140 **6. DWELLING SYSTEMS AND FIXTURES**

141 If the following systems or fixtures are included in the purchase price, are they in good working order on the date this form is signed?

142 A. Electrical system, including wiring, switches, outlets and services. Yes No Unknown

143 B. Plumbing system, including pipes, faucets, fixtures and toilets. Yes No Unknown

144 C. Water heater tank. Yes No Unknown

145 D. Garbage disposal. Yes No Unknown

146 E. Built-in range and oven. Yes No Unknown NA

147 F. Built-in dishwasher. Yes No Unknown NA

148 G. Sump pump. Yes No Unknown NA

149 H. Heating and cooling systems. Yes No Unknown NA

150 I. Security system Owned Leased. Yes No Unknown NA

151 J. Are there any materials or products used in the systems and fixtures that are or have been the subject of a recall, class action settlement or other litigations? Yes No Unknown

152 If yes, what product? _____

154 (1) Are there problems with the product? Yes No Unknown NA

155 (2) Is the product covered by a warranty? Yes No Unknown NA

156 (3) Has the product been inspected? Yes No Unknown NA

157 (4) Have claims been filed for this product by you or by previous owners? Yes No Unknown NA

158 If yes, when? _____

159 (5) Was money received? Yes No Unknown NA

160 (6) Were any of the materials or products repaired or replaced? Yes No Unknown NA

SELLER [Signature] Date 5/20/14 ← SELLER _____ Date _____ ←
 Portland General Electric Co. 31 MIKE LIVINGSTON
MANAGER TRAFFIC SERVICES

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SELLER'S PROPERTY DISCLOSURE STATEMENT

Property Address 3231 SE Yamhill St, Portland, OR 97214

- 161 **7. COMMON INTEREST**
- 162 A. Is there a Home Owners' Association or other governing entity?..... Yes No Unknown
- 163 Name of Association or Other Governing Entity _____
- 164 Contact Person _____
- 165 Address _____ Phone Number _____
- 166 B. Regular periodic assessments: \$ _____ per Month Year Other
- 167 *C. Are there any pending or proposed special assessments?..... Yes* No Unknown
- 168 D. Are there shared "common areas" or joint maintenance agreement for facilities like walls, fences,
- 169 pools, tennis courts, walkways or other areas co-owned in undivided interest with others?... Yes No Unknown
- 170 E. Is the Home Owners' Association or other governing entity a party to
- 171 pending litigation or subject to an unsatisfied judgment?..... Yes No Unknown NA
- 172 F. Is the property in violation of recorded covenants, conditions and
- 173 restrictions or in violation of other bylaws or governing rules, whether recorded or not?..... Yes No Unknown NA

- 174 **8. GENERAL**
- 175 A. Are there problems with settling, soil, standing water or drainage on
- 176 the property or in the immediate area?..... Yes No Unknown
- 177 B. Does the property contain fill?..... Yes No Unknown
- 178 C. Is there any material damage to the property or any of the structure(s)
- 179 from fire, wind, floods, beach movements, earthquake, expansive soils or landslides?..... Yes No Unknown
- 180 D. Is the property in a designated floodplain?..... Yes No Unknown
- 181 E. Is the property in a designated slide or other geologic hazard zone?..... Yes No Unknown
- 182 *F. Has any portion of the property been tested or treated for asbestos, formaldehyde, radon, gas,
- 183 lead-based paint, mold, fuel or chemical storage tanks or contaminated soil or water?..... Yes* No Unknown
- 184 G. Are there any tanks or underground storage tanks (e.g., septic, chemical, fuel, etc.)
- 185 on the property?..... Yes No Unknown
- 186 H. Has the property ever been used as an illegal drug manufacturing or distribution site?..... Yes No Unknown
- 187 *If yes, was a Certificate of Fitness issued?..... Yes* No Unknown NA
- 188 I. Has the property been classified as forestland-urban interface?..... Yes No Unknown

- 189 **9. FULL DISCLOSURE BY SELLER(S)**
- 190 *A. Are there any other material defects affecting this property or its value that
- 191 a prospective buyer should know about?..... Yes* No
- 192 If yes, describe the defect on attached sheet and explain the frequency and extent of the problem and any insurance claims, repairs or
- 193 remediation?

VERIFICATION

194 The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy

195 of this disclosure statement. I/we authorize my/our agents to deliver a copy of this disclosure statement to all prospective buyers of the property or

196 their agents. _____ (complete even if zero) Number of pages of explanations are attached.

197 Seller *[Signature]* Date 5/10/14 Seller _____ Date _____

Portland General Electric Company BY MIKE DUKAKIS, MANAGER PROPERTY SERVICES

II. BUYER'S ACKNOWLEDGMENT:

- 198 A. As buyer(s), I/we acknowledge the duty to pay diligent attention to any material defects that are known to me/us or can be known by me/us by
- 199 utilizing diligent attention and observation.
- 200 B. Each buyer acknowledges and understands that the disclosures set forth in this statement and in any amendments to this statement are made
- 201 only by the seller and are not the representations of any financial institution that may have made or may make a loan pertaining to the
- 202 property, or that may have or take a security interest in the property, or of any real estate licensee engaged by the seller or buyer. A financial
- 203 institution or real estate licensee is not bound by and has no liability with respect to any representation, misrepresentation, omission, error or
- 204 inaccuracy contained in another party's disclosure statement required by this section or any amendment to the disclosure statement.
- 205 C. Buyer (which term includes all persons signing the "Buyer's Acknowledgment" portion of this disclosure statement below) hereby
- 206 acknowledges receipt of a copy of this disclosure statement (including attachments, if any) bearing seller's signature(s).

207 DISCLOSURES, IF ANY, CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER'S ACTUAL KNOWLEDGE

208 OF THE PROPERTY AT THE TIME OF DISCLOSURE. IF THE SELLER HAS FILLED OUT SECTION 2 OF THIS FORM, YOU, THE BUYER,

209 HAVE FIVE BUSINESS DAYS FROM THE SELLER'S DELIVERY OF THIS DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY

210 DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE SELLER DISAPPROVING THE SELLER'S

211 DISCLOSURE UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE AGREEMENT.

212 **BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS SELLER'S PROPERTY DISCLOSURE STATEMENT.**

213 Buyer _____ Date _____ ← Buyer _____ Date _____ ←

214 Licensee receiving disclosure statement on buyer's behalf to sign and date:

215 _____ Real Estate Licensee Date received by Licensee _____

216 _____ Real Estate Firm



Sale Agreement # _____
Addendum _____

LEAD-BASED PAINT DISCLOSURE ADDENDUM

This Addendum must be part of every Real Estate Sale Agreement for the sale of a home built prior to 1978. A copy of the completed Addendum may be treated as an original.

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

PROPERTY ADDRESS 3231 SE Yamhill St, Portland, OR 97214

ADDENDUM TO REAL ESTATE SALE AGREEMENT NO. _____

SELLER'S DISCLOSURE

1. Presence of lead-based paint and/or lead-based paint hazards (check either (a) or (b) below):

(a) Seller has knowledge of lead-based paint and/or lead-based paint hazards in the housing (explain).

(b) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

2. Records and reports available to the Seller (check either (a) or (b) below):

(a) Seller has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

(b) Seller has no records or reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

BUYER'S ACKNOWLEDGMENT (Initial below):

1. _____ Buyer has received copies of all information listed at 2(a) above.

2. _____ Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

3. Buyer has (check either (a) or (b) below):

(a) Pursuant to the provisions contained in the "Lead Based Paint Inspection" section of the Real Estate Sale Agreement, received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(b) Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

LISTING LICENSEE'S ACKNOWLEDGMENT (Initial below):

Licensee has informed the seller of the seller's obligations under 42 USC 4852d and is aware of his/her responsibility to ensure compliance.

RIGHT OF CANCELLATION WITHIN LEAD-BASED PAINT CONTINGENCY PERIOD

If this Lead-Based Paint Disclosure Addendum (hereinafter this "Disclosure Addendum") is delivered to Buyer after Buyer's offer is accepted by Seller unless waived pursuant to Section 3, Buyer's Acknowledgment of this Disclosure Addendum, Buyer shall have the right to cancel the Real Estate Sale Agreement within ten (10) calendar days which shall commence when Buyer and Seller sign this Disclosure Addendum, by Buyer giving written notice of cancellation to Seller or Seller's agent. Upon such cancellation, all earnest money deposit(s) shall be promptly refunded to Buyer and this transaction shall be terminated.

CERTIFICATION OF ACCURACY

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Buyer _____ Date _____ ← Seller [Signature] Date 5/20/14 ←

Buyer _____ Date _____ ← Seller Portland General Electric Company
31 NWELW WILSON MANAGER PROPERTY SERVICES Date _____ ←

Selling Licensee _____ ← Listing Licensee Corine Gosse

Selling Firm _____ ← Listing Firm John L Scott ←

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**OREGON REAL ESTATE INITIAL AGENCY
DISCLOSURE PAMPHLET
OAR 863-015-215 (4)**

Consumers: This pamphlet describes the legal obligations of Oregon real estate licensees to consumers. Real estate brokers and principal real estate brokers are required to provide this information to you when they first contact you. A licensed real estate broker or principal broker need not provide the pamphlet to a party who has, or may be reasonably assumed to have, received a copy of the pamphlet from another broker.

This pamphlet is informational only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.

Real Estate Agency Relationships

An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent"), agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction.

Oregon law provides for three types of agency relationships between real estate agents and their clients:

Seller's Agent - Represents the seller only;

Buyer's Agent - Represents the buyer only;

Disclosed Limited Agent - Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of both clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"

Generally, licensees must maintain confidential information about their clients. "Confidential information" is information communicated to a real estate licensee or the licensee's agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information" does not mean information that:

- a. The buyer instructs the licensee or the licensee's agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer; and
- b. The licensee or the licensee's agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of Seller's Agent

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer. An agent who represents only the seller owes the following affirmative duties to the seller, the other parties and the other parties' agents involved in a real estate transaction:

1. To deal honestly and in good faith;
2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party;

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OREF 042
Page 1 of 3



A seller's agent owes the seller the following affirmative duties;

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the seller;
3. To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
4. To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
5. To advise the seller to seek expert advice on matters related to the transactions that are beyond the agent's expertise;
6. To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of the above affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by written agreement between seller and agent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of Buyer's Agent

An agent, other than the seller's agent, may agree to act as the buyer's agent only. The buyer's agent is not representing the seller, even if the buyer's agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller's agent.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties' agents involved in a real estate transaction:

1. To deal honestly and in good faith;
2. To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
3. To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A buyer's agent owes the buyer the following affirmative duties:

1. To exercise reasonable care and diligence;
2. To account in a timely manner for money and property received from or on behalf of the buyer;
3. To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
4. To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
5. To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
6. To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
7. Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except #7. The affirmative duty listed in #7 can only be waived by written agreement between buyer and agent.

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OREF 042
Page 2 of 3



Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of an Agent Who Represents More than One Client in a Transaction

One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written "Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

Disclosed Limited Agents have the following duties to their clients:

1. To the seller, the duties listed above for a seller's agent; and
2. To the buyer, the duties listed above for a buyer's agent;
3. To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
 - a. That the seller will accept a price lower or terms less favorable than the listing price or terms;
 - b. That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
 - c. Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise.

When different agents associated with the same principal broker (a real estate licensee who supervises other agents) establish agency relationships with different parties to the same transaction, only the principal broker will act as a Disclosed Limited Agent for both buyer and seller. The other agents continue to represent only the party with whom the agents have already established an agency relationship unless all parties agree otherwise in writing. The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

1. To disclose a conflict of interest in writing to all parties;
2. To take no action that is adverse or detrimental to either party's interest in the transaction; and
3. To obey the lawful instruction of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

You are encouraged to discuss the above information with the licensee delivering this pamphlet to you. If you intend for that licensee, or any other Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship. Whether you are a buyer or seller, you cannot make a licensee your agent without the licensee's knowledge and consent, and an agent cannot make you their client without your knowledge and consent.

Cost and Description of Property

Accounting History for Property Located at D11-1/1, Audit

<u>Purchase Year</u>	<u>Audit</u>	<u>FERC 360 - Land</u>	<u>Description</u>
1977	31374	29,019.17	Purchase property for use with Alder Substation, Lot 9, Block 23
1979		599.50	Site Improvements- Add Water Service
1980		4,689.64	Site Improvements- Roofing And Gutters
Total		34,308.31	Bookcost