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March 23, 2018

Gregory H. Baum
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Via Certified Mail, Return Receipt Requested & Email

Multnomah County
c/o Sherry J. Swackhamer [sherry.j.swackhamer@multco.us]
CIO & Director, Department of County Assets
501 SE Hawthorne Blvd, Suite 400
Portland, OR 97201

Re: Agreement of Purchase and Sale – Wapato Detention Facility
Notice of Termination by Purchaser/Potential 2nd Amendment of PSA

Dear Ms. Swackhamer:

We are attorneys for Kehoe Northwest Properties, LLC, contract Purchaser under the above-referenced Agreement dated November 10, 2017, as extended by letter of January 2, 2018, and as first amended February 7, 2018 ("PSA"). Pursuant to the PSA, Purchaser has until the end of the day on March 26, 2018, to evaluate the economic feasibility of acquiring the Property. Purchaser has determined that the contemplated acquisition is not economically viable and hereby calls for the prompt return of Purchaser's Initial Deposit of \$200,000.00 in escrow at Chicago Title and termination of the PSA.

Notwithstanding the foregoing, Purchaser would be willing to rescind this termination notice if Seller agrees to both (i) reduce the Purchase Price to Five Million Dollars (\$5,000,000.00), and (ii) grant Purchaser an exclusive option to acquire the Property, exercisable in Purchaser's sole discretion, if at all, on or before 5:00 PM on Friday, April 20, 2018. If Seller agrees to both points, Purchaser would enter into a 2nd amendment of the PSA embodying the modified terms and its Initial Deposit would remain in escrow to be applicable to the Purchase Price if Purchaser exercises its option, but otherwise refundable.

Thank you.

Sincerely,

Gregory H. Baum
Of Counsel

GHB:IS

cc: Martin Kehoe, via mail & email [mkehoe03@gmail.com]
Graham Taylor, via mail & email [graham.taylor@cbre.com]

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