

## INTERGOVERNMENTAL AGREEMENT

BY THIS AGREEMENT, effective on the date last signed by both parties (“Effective Date”), Salem-Keizer School District 24J, a political subdivision of the state of Oregon (“SKSD”) and the City of Salem, an Oregon municipal corporation (“City”) (collectively “the Parties”), do hereby agree as follows:

### RECITALS

**Whereas**, the Parties have previously acquired properties adjacent to each other at multiple sites with the intent of co-locating SKSD schools and City parks (Improvements), and;

**Whereas**, upon completion of Improvements by both City and SKSD, Improvements do not align with underlying property ownership, and;

**Whereas**, the Parties desire to realign property boundaries to properly reflect use and ownership of property and improvements, and;

**Whereas**, the Parties desire to accomplish the property realignment via an exchange of real property;

**Therefore**, the Parties agree as follows:

1. **Premises**. City shall convey to SKSD and SKSD shall accept from City, at the price and on the terms and conditions set forth herein, the real property, access and property rights, and all improvements thereto which are located in the City of Salem, Oregon, and are more particularly described in Exhibits A1 – A11, and the personal property (“Personal Property”) described in Exhibit A12 attached hereto and incorporated herein (collectively the “City Premises”).

SKSD shall convey to City and City shall accept from SKSD, at the price and on the terms and conditions set forth herein, the real property, access and property rights, and all improvements thereto which are located in the City of Salem, Oregon, and are more particularly described in Exhibit B1–B3, A4, and A11, attached hereto and incorporated herein, (“SKSD Premises”).

Should removal of any property or properties be necessary due to unforeseen circumstances during the due diligence period prior to Closing, City and SKSD shall agree to the removal in writing, with the remainder of the Agreement in full force and effect. In the event that City and SKSD do not agree on terms to remove the property or properties, this Agreement shall become null and void.

2. **Purchase Price.** The City Premises and the SKSD Premises shall be exchanged on a one for one acreage basis rounded to the nearest hundredth of an acre.

In the event the total acreage of the City Premises is less than that of the SKSD Premises, City shall purchase the remainder of the SKSD Premises at a price of seventy-five thousand dollars (\$75,000.00) per acre.

The Personal Property is determined to have a value of seventy-five thousand dollars (\$75,000.00). This value shall be deducted from the net cost of the remaining acreage of the SKSD Premises at Closing. In the unlikely event the total cost of the remaining SKSD Premises less the value of the Personal Property is less than zero, SKSD shall pay City the difference at Closing.

**2.1 Payment of Purchase Price.**

At Closing, City shall pay the Purchase Price, less any Earnest Money paid, by check to an account designated by SKSD.

3. **Earnest Money.** No Earnest Money shall be required.

4. **Environmental Review and Assessment.** The Parties agree to make known any environmental concerns with the City Premises or the SKSD Premises and provide any previously completed environmental information and reports. Should either City or SKSD desire to undertake additional environmental testing on the City Premises or SKSD Premises respectively, the other party shall provide a permit of entry to allow such testing to occur. Any additional environmental due diligence shall be at the sole cost of the party electing to complete the work.

5. **Transaction Cost.** Substantial survey work and property line adjustments or partitioning are required for this transaction. City and SKSD agree to equally share in the transaction costs related to the land exchange. These costs include, but are not limited to: surveying, title work, deed preparation, development fees, and partition fees. Each party shall bear the cost of its staff time and legal expenses. City shall engage consultants, coordinate, and bear the initial cost of the work above. At Closing, SKSD's portion of the Transaction Cost shall be used as a credit toward City's purchase of the SKSD Premises. City shall provide copies of receipts and an accounting of all costs to SKSD for approval prior to Closing.

6. **City's Conditions.**

**6.1 Public Access.** SKSD agrees that it will use its best efforts to maintain public access to the former City Premises, primarily during non-school hours, and whenever feasible, ensuring that the safety and wellbeing of students, staff and community members is taken into account.

7. **SKSD's Conditions**

7.1 Safety and Security. City agrees to support SKSD in its efforts to balance public access with the safety and wellbeing of its students, staff and community members, as well as, the preservation of its assets.

8. **Title Insurance.**

8.1 **Title Report.** Within thirty (30) days after the Effective Date, City will order a preliminary title report from the Escrow Agent with respect to both the City Premises and the SKSD Premises (the "***Title Report***"). The Title Report will be accompanied by the most legible copies available of all special exceptions listed therein. City and SKSD will have thirty (30) days after receipt of the Title Report and copies in which to notify the other party in writing of its disapproval of any exceptions shown in the Title Report. Any special assessments shown on the Title Report that are objected to by either party will be included in the notice. In the event of any disapproval, City or SKSD will notify the other party in writing within fifteen (15) business days after either party's notification as to whether the other party agrees to remove any of the exceptions so disapproved, and upon delivering the notice, either party will have until the Closing Date described in Section 14 to cause the exceptions that the other party has agreed to remove to be removed of record and from the Title Report. City and SKSD will be deemed to have accepted all title exceptions to which either party has not timely objected.

8.2 **Rescission of Agreement—Title Defects.** If City or SKSD elects not to eliminate any title exception disapproved by the other party, City or SKSD may elect to cancel this Agreement by written notice to the other party given on or before thirty (30) business days after City's or SKSD's notification of the election. In this event, the Earnest Money, if any, will be forfeited by either party and this Agreement will terminate. If either party does not elect to cancel this Agreement, the other party's objections to the disapproved exceptions that said party elected not to eliminate are deemed waived and the City Premises and the SKSD Premises will be conveyed to the other party with such defects without credit against the purchase price. The foregoing notwithstanding, City and SKSD agree that they will cause all trust deed liens or monetary encumbrances against the City Premises and the SKSD Premises that are not accepted by the other party to be released of record by the Closing Date. If City or SKSD fails to give timely notice to the other party of termination under this paragraph, then said party's right of termination will be deemed waived. Said title insurance policy shall be in the amount of the Purchase Price. City and SKSD shall bear the cost of the title insurance equally. Any extended title coverage shall be paid by the Party desiring the coverage at its sole cost.

9. **Risk of Loss.** All risk of loss, injury, damage or condemnation of either the City Premises or SKSD Premises shall be transferred between the Parties at the time of Closing. If the City Premises or SKSD Premises are partially destroyed or partially condemned at any time prior to Closing and that

portion of the City Premises or SKSD Premises destroyed or condemned constitutes a material part of this transaction, or if the City Premises or SKSD Premises are totally destroyed or condemned, either party may terminate this Agreement without liability or obligation to the other party. All insurance proceeds and condemnation awards, received by or accruing to either party by reason of such loss, injury, damage, or taking, shall be for the account of the other party, and the Purchase Price shall be reduced thereby unless agreed between the Parties prior to Closing. If the City Premises or the SKSD Premises are partially destroyed or condemned and the loss or condemnation is immaterial, the transaction shall be closed without reduction or adjustment in the Purchase Price, and the proceeds of all insurance and all condemnation proceeds shall accrue to the other party.

10. **Taxes and Assessments: Closing Costs.** Real estate and personal property taxes, if any and all utilities shall be prorated between the parties as of the date of Closing. City and SKSD shall each pay one-half of any closing fees, escrow fees, recording fees, transfer taxes and assessments, and deed stamps. Each party shall pay its own attorney fees and other expenses incurred.

11. **Title Documents.**

11.1 **Deed.** City and SKSD agree to execute and deliver to the other party a bargain and sale deed or property line adjustment deed, whichever is applicable and agreed upon by the Parties, conveying title to the property exchanged and a Bill of Sale for the Personal Property, subject to the accepted title exceptions of record.

12. **Possession.** SKSD shall be entitled to possession of the City Premises and City shall be entitled to SKSD Premises at Closing.

13. **As-Is Sale.**

13.1 **Limitation of Representations and Warranties.** The representations and warranties in this Agreement, if any, shall be limited to the actual knowledge of the undersigned below with no duty of inquiry. The Parties further agree that any claim or action based on breach of this Agreement, including, but not limited to, misrepresentation or material omission, shall occur within six (6) months of the Closing Date.

13.2 **Acceptance of Premises.** The City Premises and the SKSD Premises are being conveyed "**AS IS – WITH ALL FAULTS AND DEFECTS,**" if any. The City Premises and the SKSD Premises are being sold without recourse, and no representations, warranties, guarantees, promises, statements, estimates, of any nature whatsoever, whether oral or written, expressed or implied, have been made by City or SKSD, or any agent of either party, including but not limited to, the physical condition of the City Premises or SKSD Premises,

latent defects, patent defects, personal property, use, drainage, pests, zoning and land use restrictions, title, habitability, suitability, fitness, merchantability, size, compliance with building codes, government laws, rules and regulations, availability of utility rights or the existence of hazardous substances, wetlands, easements or encroachments, whether or not disclosed by inspection. City and SKSD shall look solely to the Title Company issuing said policy for any claim or damage in any way relating to the title to the City Premises or SKSD Premises, including, but not limited to, any liens, encumbrances, encroachments or assessments.

CITY AND SKSD ALSO EXPRESSLY DISCLAIM, AND CITY AND SKSD WAIVE, ANY AND ALL IMPLIED AND EXPRESS WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF HABITABILITY FOR ANY AND ALL DEFECTS IN DESIGN OR CONSTRUCTION OF THE PREMISES. EACH PARTY HAS READ, UNDERSTANDS AND AGREES TO THE DISCLAIMER OF ALL WARRANTIES.

CITY AND SKSD FURTHER WAIVE ANY AND ALL DISCLOSURES, REPRESENTATIONS AND WARRANTIES ALLOWED OR REQUIRED UNDER APPLICABLE LAW, TO THE EXTENT ALLOWED BY APPLICABLE LAW.

**13.3 Waiver of Claims.** The Parties acknowledge that the closing of the conveyance of the City Premises and SKSD Premises is conditioned upon the other party's inspection of the City Premises and SKSD Premises, to each party's satisfaction, unless either party chooses to expressly waive any such inspection in writing. Either party shall have the opportunity, prior to closing, to fully inspect, investigate and complete all due diligence relating to the other party's Premises. The Parties are hereby instructed to complete all inspections, investigations and due diligence regarding any aspect of or relating to the other party's Premises that each party deems necessary or desirable, to the other party's satisfaction, in order to be fully informed prior to the closing of the sale of the City Premises or SKSD Premises or to otherwise protect the other party's interest. In the event that either party has completed all such due diligence to its satisfaction, the Parties shall execute an addendum prior to the closing of the sale of the City Premises and SKSD Premises waiving all contingencies, including any such inspection contingency, and accepting the condition and all other aspects relating to the other party's Premises, without right to rescind or set aside the sale of the said Premises or seek reduction or offset of the purchase price.

The Parties acknowledge that neither party is relying and will not rely upon any statements or representations of any person with respect to the City Premises or SKSD Premises, or of any other matter affecting or relating to the City Premises or SKSD Premises. Each party will instead rely solely on such investigations, examinations, and inspection as either party may choose to make prior to the expiration of the inspection contingency set forth in this Agreement. The Parties further acknowledge that any agent of either City or SKSD is not

authorized to make representations upon which the other party may rely. The rights, obligations, representations and warranties set forth in this section shall survive Closing.

14. **Closing.** The term "Closing" as used in this Agreement means the payment by the City to SKSD of that portion of the Purchase Price due at Closing and the delivery to the respective parties of the bargain and sale deeds, property line adjustment deeds, bill of sale, and title insurance policy. Unless otherwise agreed by the Parties, Closing shall take place at the earliest possible date, but no later than June 30, 2017. This transaction shall be closed through an escrow that is to be held by a title company selected by City. Each party shall execute and deliver on a timely basis all escrow instructions, deeds, declaration of restrictive covenants, and other documents reasonable necessary to close this transaction.

15. **Statutory Warning (ORS 93.040(2)).** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

16. **Brokers.** City and SKSD warrant to each other that no person or entity of any sort is entitled to any commission, broker fees, finder fees, or other payment.



c. Sent via any electronic communications method, provided the sender obtains written confirmation of receipt of the communication by the electronic communication equipment at the office of the addressee listed above.

21. **Enforcement and Attorney's Fees.** In the event a suit or other action is instituted to enforce any of the terms or obligations under this Agreement, each party shall bear the costs of its respective attorney's fees, including any appeals.

22. **Integration.** This Agreement contains the entire agreement between the parties concerning the subject hereof, including all oral understandings and agreements, and there are no collateral understandings or agreements or representations or warranties not expressly included herein.

23. **Recording.** Neither this Agreement nor any copy hereof shall be recorded without the express written consent of both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year indicated below.

SALEM-KEIZER SCHOOL DISTRICT 24J

By \_\_\_\_\_ Date \_\_\_\_\_

Title: Chief Operations Officer

CITY OF SALEM

By \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

EXHIBIT A1 – A12

See attached

EXHIBIT B1 - B3

See attached

EXHIBIT A1  
School / Park Property Exchange

Chapman Hill Elem. School and Park

Proposed Change: The entire parcel (5.85 acres) owned by the city at this site would be transferred to the school district.

Current Use: Soccer field and unused hillside. The school district is the primary user of this field.

Proposed Use: No change in use. Soccer field and unused hillside: School district would own and control the site.

Legal Description:

# EXHIBIT A1 - MAP



EXHIBIT A2  
School / Park Property Exchange

Englewood Elem. School and Park

Proposed Change: A playground is located on city land. The approximately ¼ acre site would be transferred to the school district.

Current Use: Playground. The school district is the primary user of this playground.

Proposed Use: No change in use. School district would own and control the site.

Legal Description:

EXHIBIT A2 - MAP

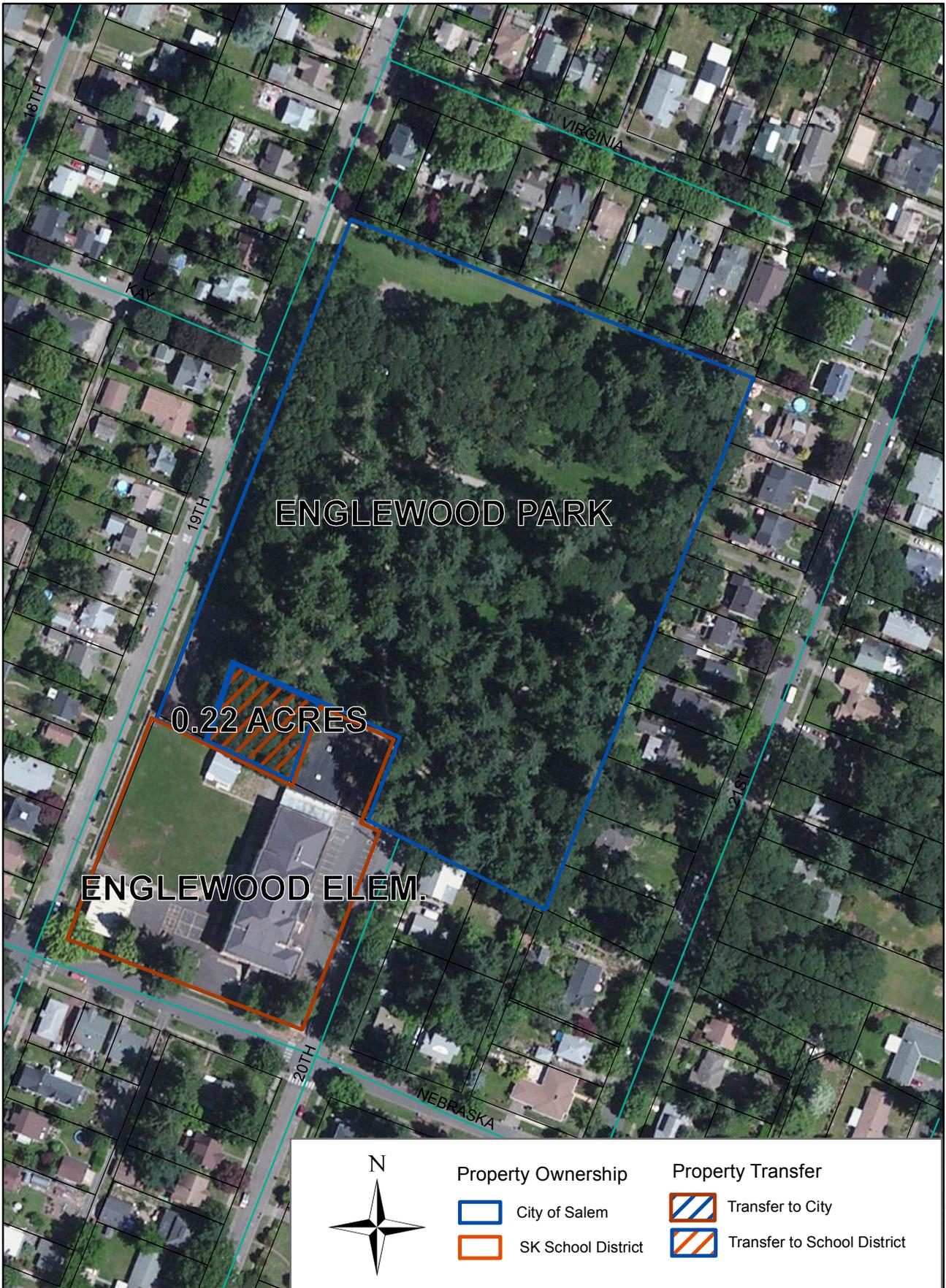


EXHIBIT A3  
School / Park Property Exchange

Highland Elem. School and Park

Proposed Change: A city park exists on both the east and west sides of Broadway St. NE. The portion of the park on the east side of the street (3.27 acres) would be transferred to the school district.

Current Use: Playground and play field. The school district built a playground on the park site and uses the playfield as the only field available at this school.

Proposed Use: No change in use. School district would own and control the site. The park land west of Broadway St. NE would remain as city land.

Legal Description:

EXHIBIT A3 - MAP



EXHIBIT A4  
School / Park Property Exchange

Judson Middle School and Carson Springs Park

Proposed Change: A small city park exists along the south property line at Judson Middle School. A corner of the city parcel extends into a ballfield at the middle school. A creek crosses the city parcel and the school parcel. The changes would adjust the city parcel to follow the vegetation area adjacent to the creek and adjust the school parcel to transfer the creek and associated vegetation to the City. The resulting City parcel adjoins with Woodmansee Park. Current Use: Ballfields, creek and riparian area  
Proposed Use: No change in use.

Legal Description – Transfer City to SKSD:

Legal Description – Transfer SKSD to City:

EXHIBIT A4 - MAP



EXHIBIT A5  
School / Park Property Exchange

Lee Elem. School and Park

Proposed Change: The park property (3.8 acres) would be transferred to the school district.

Current Use: Play field. The school district and city developed the site when the school was constructed.

Proposed Use: No change in use. School district would own and control the site.

Legal Description:

EXHIBIT A5 - MAP



EXHIBIT A6  
School / Park Property Exchange

McKinley Elem. School and Park

Proposed Change: The park property (1.04 acres) would be transferred to the school district.

Current Use: School play field.

Proposed Use: No change in use. School district would own and control the site where the play field is located.

Legal Description

EXHIBIT A6 - MAP



EXHIBIT A7  
School / Park Property Exchange

Pringle Elem. School and Wes Bennett Park

Proposed Change: A portion of the park property (0.8 acres) would be transferred to the school district.

Current Use: School building is partly on city property with the remainder of the land lying at the edge of the school district's play field.

Proposed Use: No change in use. School district would own and control the site where the school district's building is located and the land adjacent to the current school district play field.

Legal Description:

EXHIBIT A7 - MAP

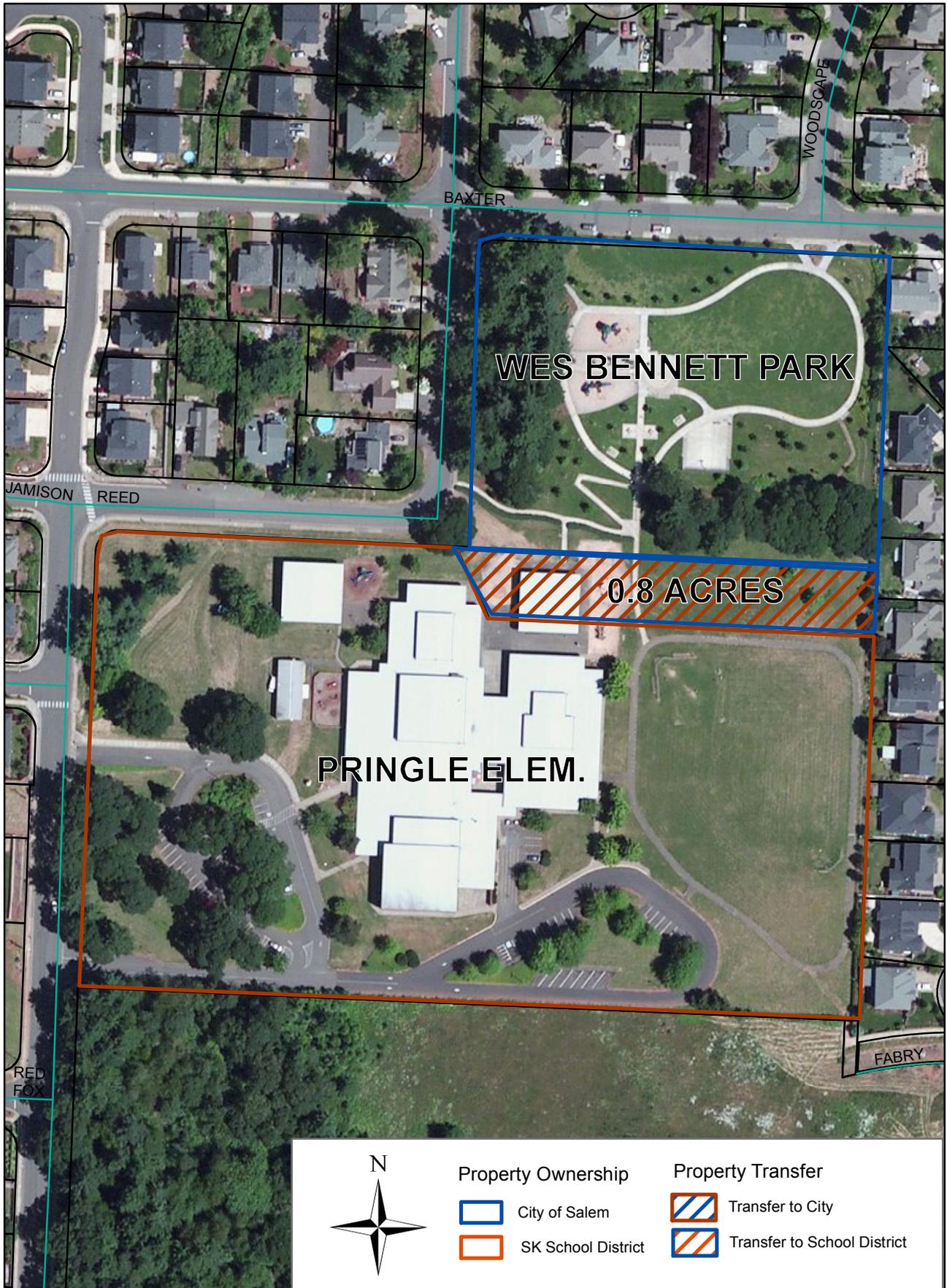


EXHIBIT A8  
School / Park Property Exchange

Richmond Elem. School and Richmond School Park

Proposed Change: A portion of the park property (0.01 acres) would be included in an easement in favor of the school district allowing the easement area to be fenced for the use of the school district.

Current Use: Land is a small portion of Richmond School Park.

Proposed Use: Land between the sidewalk on the park property and the gym building would become school district property and would be fenced to reduce vandalism to the school buildings near the property line.

Legal Description:

EXHIBIT A8 - MAP



EXHIBIT A9  
School / Park Property Exchange

Sprague High School and Skyline Park

Proposed Change: A portion of the park property (9.15 acres) would be transferred to the school district.

Current Use: Ball fields. The high school ball fields are partially on city owned land.

Proposed Use: No change in use. School district would own and control the site where the ball fields are located.

Legal Description:

EXHIBIT A9 - MAP

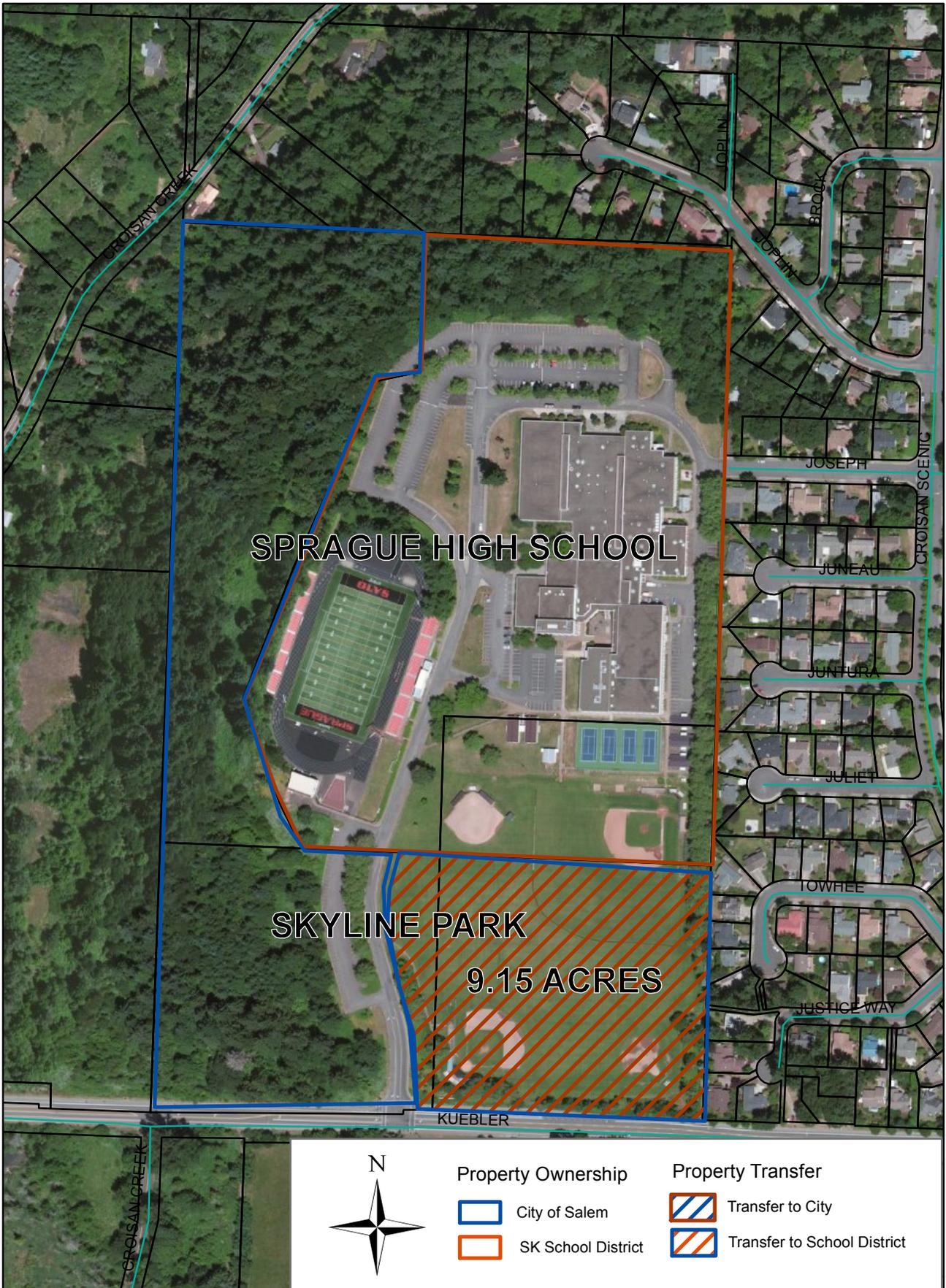


EXHIBIT A10  
School / Park Property Exchange

Stephens Middle School and Stephens-Yoshikai Park

Proposed Change: A portion of the park property (3.61 acres) would be transferred to the school district.

Current Use: Ball field. The middle school ball field is partially on city owned land.

Proposed Use: No change in use. School district would own and control the site where the ball field is located.

Legal Description:

EXHIBIT A10 - MAP



EXHIBIT A11  
School / Park Property Exchange

West Salem High School and Park

Proposed Change: A portion of the park property (6.94 acres) would be transferred to the school district and a portion of school district property (6.96 acres) would be transferred to the city.

Current Use: Ball fields on the city owned land and a park on school district owned land.

Proposed Use: No change in use. School district would own and control the site where the ball fields are located and the city would own and control the site where the park is located.

Legal Description – Transfer City to SKSD:

Legal Description – Transfer SKSD to City:

# EXHIBIT A11 - MAP



Exhibit A-12  
Personal Property  
(West Salem H.S. Outdoor Restrooms)

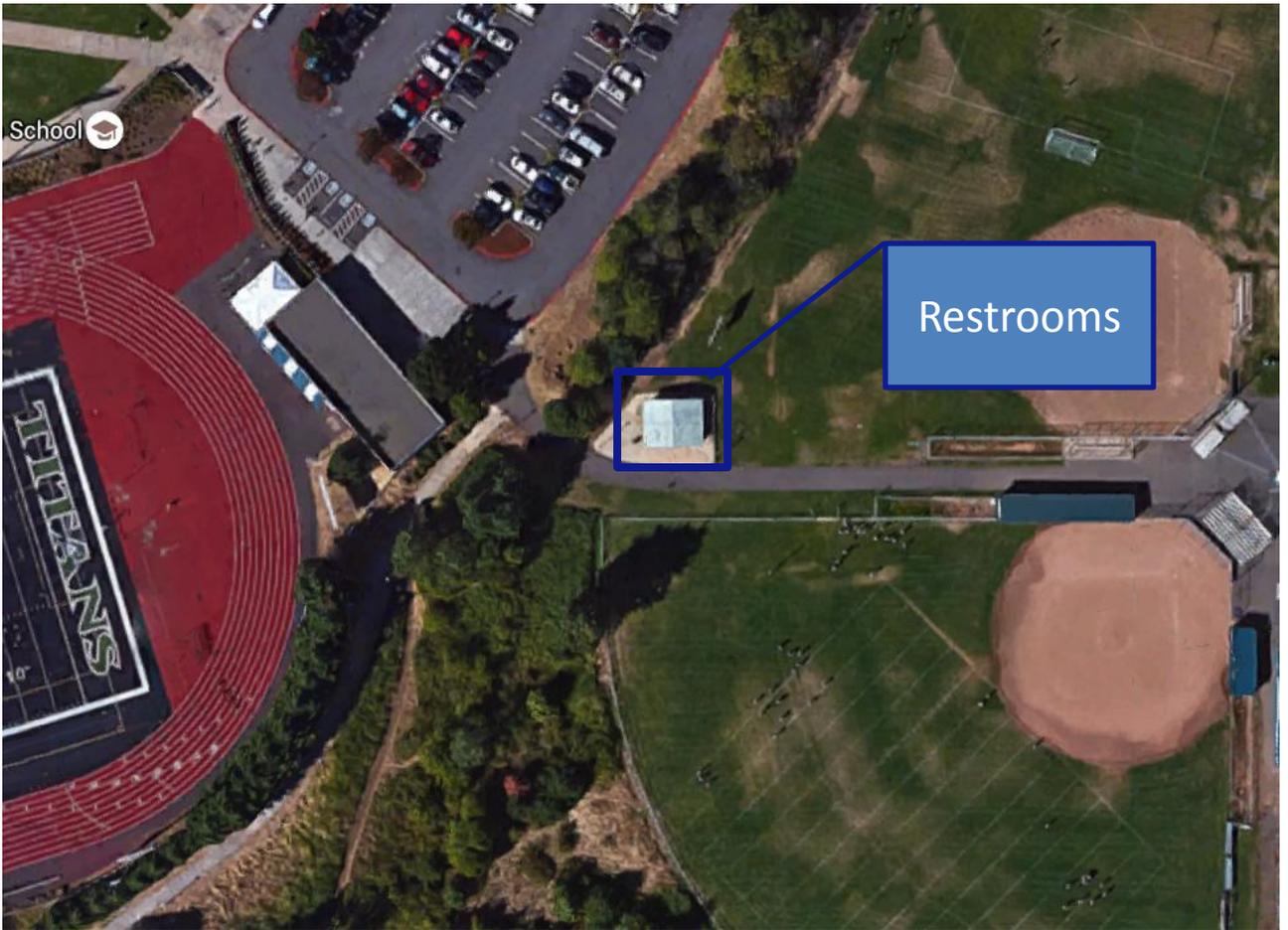


EXHIBIT B1  
School / Park Property Exchange

Grant Elem. School and Park

Proposed Change: A city park playground is located partly on school district and partly on city land. The school district owned portion, an approximate .04 acre site would be transferred to the city.

Current Use: Playground. The school district and city park are both users of this playground.

Proposed Use: No change in use. City of Salem would own and control the site.

Legal Description:

EXHIBIT B1 - MAP

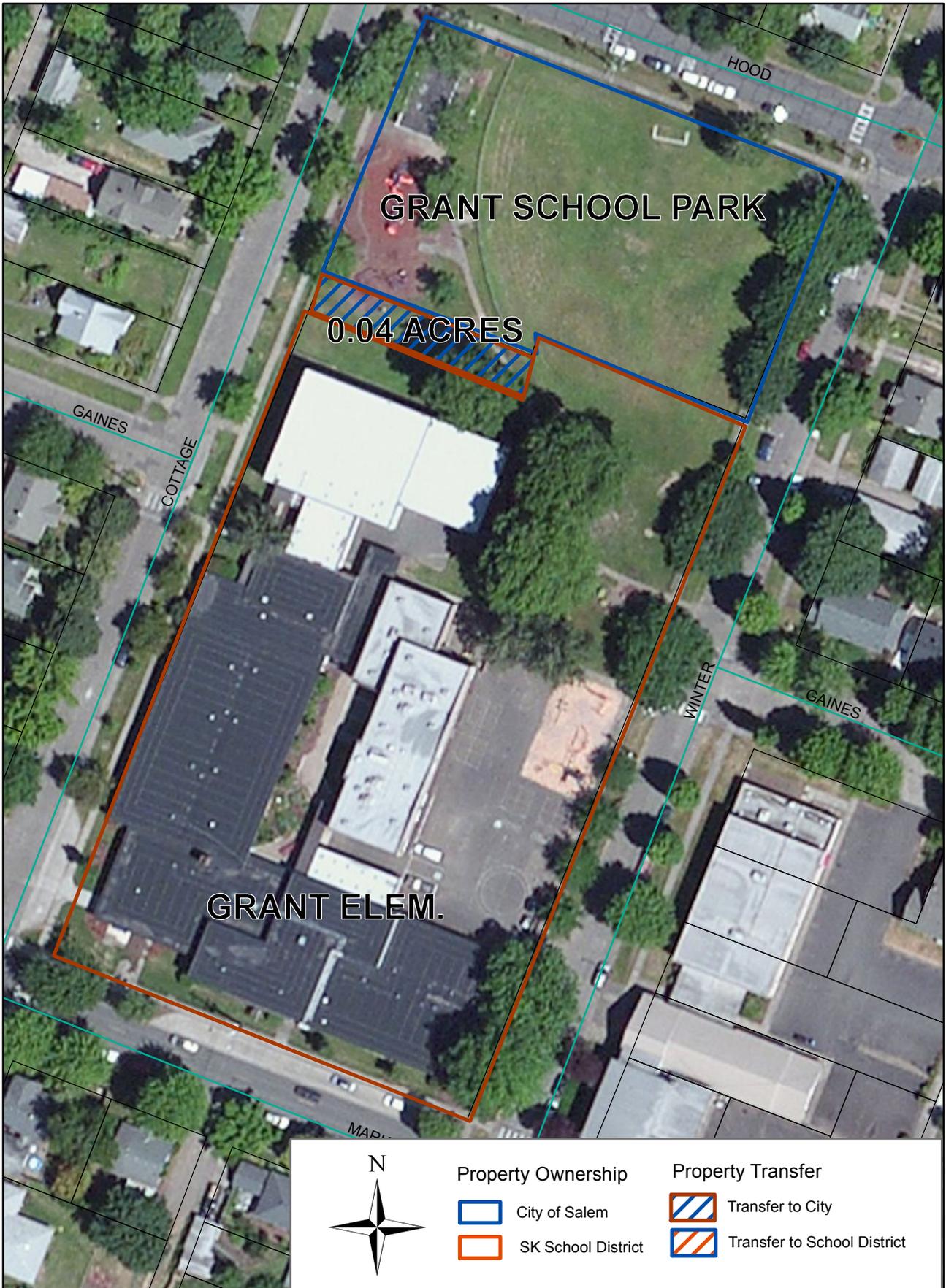


EXHIBIT B2  
School / Park Property Exchange

Grice Hill Property

Proposed Change: Some or all of this land (27.36 acres) would be transferred to the city.

Current Use: Unused bare land. City park land and water reservoir are located adjacent to this site.

Proposed Use: No change in use. City would own and control the site.

Legal Description:

EXHIBIT B2 - MAP

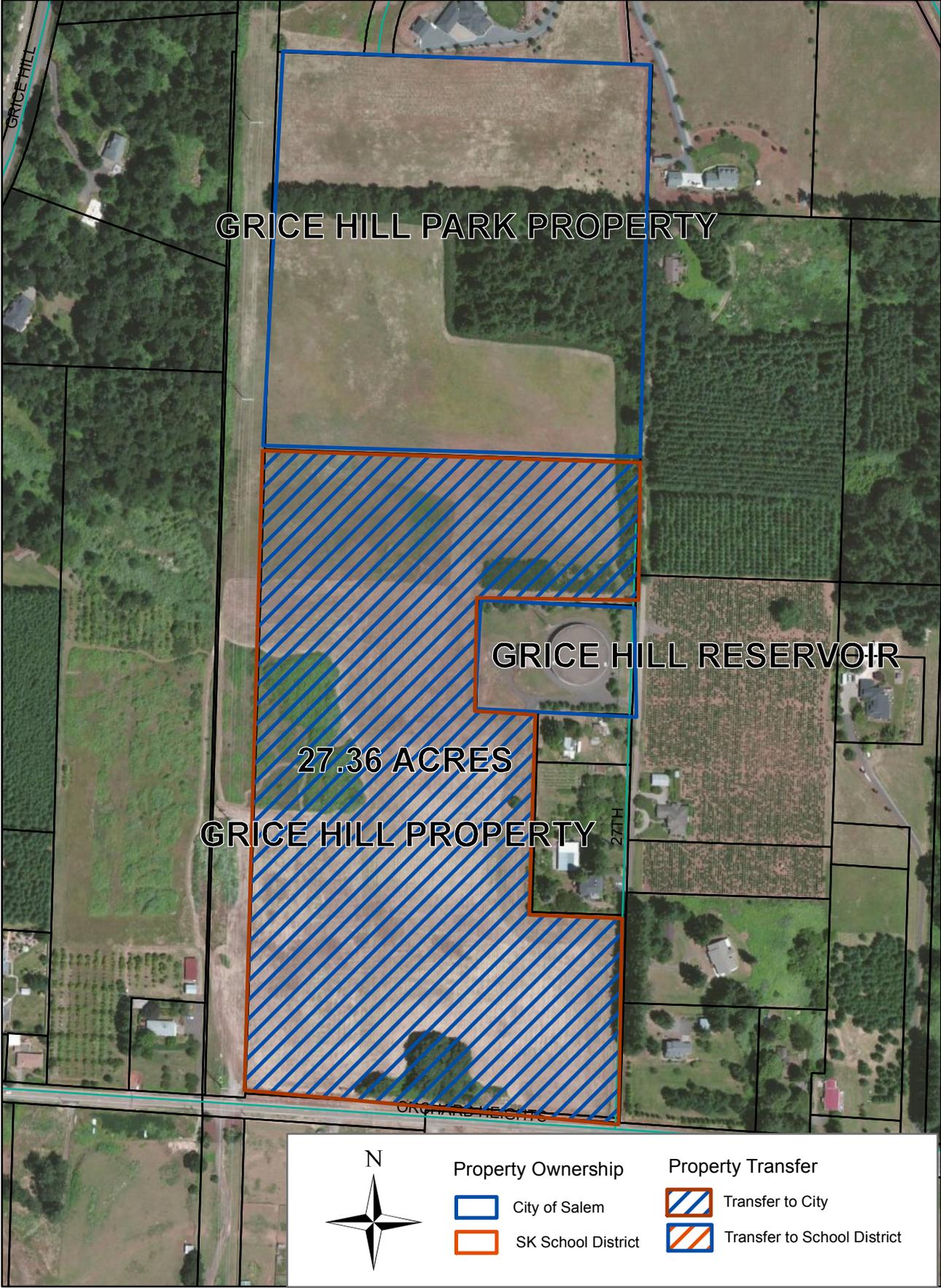


EXHIBIT B3  
School / Park Property Exchange

Sumpter Elementary School and Park

Proposed Change: A portion of the school district property (3.67 acres) would be transferred to the city. An access easement would be granted to the City of Salem connecting the 3.67 acre parcel to Rockwood St. SE.

Current Use: Park.

Proposed Use: No change in use. City of Salem would own and control the site where the park is located.

Legal Description:

EXHIBIT B3 - MAP

