

**THIRD AMENDMENT TO THE  
AGREEMENT FOR PURCHASE AND SALE OF PROPERTY**

**Recitals:**

- (1) WHEREAS The Urban Renewal Agency of the City of Salem, Oregon (Seller) and North Pacific Forestry, Inc. (Buyer), entered into an Agreement for Purchase and Sale of Property on October 13, 2008 (Agreement) for the property located at 2385 Fairgrounds Road, in Salem, Oregon (the "Property"); and
- (2) WHEREAS On January 26, 2011 and October 1, 2014 Buyer and Seller agreed to extend the deadlines for development of the Property and amend the Development Limitations in the Agreement; and
- (3) WHEREAS Buyer has determined that it is unable to develop the Property as specified in the Agreement and Buyer desires to sell the Property and assign the Agreement to a new party; and
- (4) WHEREAS Buyer and Seller desire to amend the above terms of the Agreement and to proceed as modified and set forth in this Third Amendment to the Agreement for Purchase and Sale of Property (Amendment);

**Agreement:**

NOW THEREFORE, for other good and valuable consideration and the foregoing mutual covenants, the Parties agree as follows:

1. Section 3.1 is removed and replaced in its entirety as set forth below:

3.1 No later than August 1, 2017, Buyer shall commence construction of a Suitable Development and shall complete said construction no later than August 1, 2018. "Suitable Development," as used in this Agreement, means: A commercial office building, retail building, residential building, or a combination of thereof, which shall contain a minimum of approximately 2,900 square feet gross floor area, and shall comply with the North Gateway Urban Renewal Plan and all applicable provisions of the Salem Revised Code (SRC), including the development standards of the applicable zone, and the design review standards or guidelines contained in the City of Salem Design Review Handbook for the Portland/Fairgrounds Road Overlay Zone (SRC 143B), as may be amended. Further, a "Suitable Development," shall comply with section 3.1.2 of this Agreement.

2. Section 3.1.2 is amended to read:

3.1.2 Buyer shall not develop or use the Property for the following uses, as these uses are defined either in the Salem Revised Code, or in the Standard Industrial Classification (SIC) Manual, 1987 ed., as applicable:

- a. Adult entertainment establishment, including adult bookstore or adult video sale or rental,

- b. Automotive Dealers and Gasoline Service Stations, SIC 55
- c. Camps and recreational vehicle parks, SIC 703,
- d. Cellular phone or microwave antenna
- e. "Fast Food" Eating and Drinking Place, SIC 58,
- f. Freestanding support structures, regardless of height,
- g. Liquor Store, SIC 592,
- h. Mobile food unit,
- i. Single or multi-family dwelling units, and
- j. Any use that is not expressly listed as a permitted, special, or conditional use in the SRC 143B.

3. This Amendment is contingent upon successful conveyance of the Property and assignment of the Agreement to a new owner. Should the Property not be conveyed and the Agreement not assigned by November 6, 2015, this Third Amendment shall be null and void.


4. The Persons signing this Amendment on behalf of Buyer and Seller represent and warrant that such person and their respective entity have the requisite power and authority to enter into, execute, and deliver this Amendment and that this Amendment is a valid and legally binding obligation of the Parties enforceable against the Parties in accordance with its terms.

5. Except as modified by this Amendment, the terms and conditions of the Agreement, which this modifies, remains in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**SELLER:**

Urban Renewal Agency of the  
City of Salem, Oregon

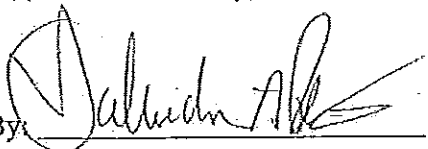
By: 

As its: Executive Director

Date: 12/23/15

**BUYER:**

North Pacific Forestry, Inc.

By: 

Print: Salvador A Perez

Date: 7/16/15

SECOND AMENDMENT TO THE  
AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

**Recitals:**

- (1) WHEREAS The Urban Renewal Agency of the City of Salem, Oregon (Seller) and North Pacific Forestry, Inc. (Buyer), entered into an Agreement for Purchase and Sale of Property on October 13, 2008 (Agreement) for the property located at 2385 Fairgrounds Road, in Salem, Oregon (the "Property"); and
- (2) WHEREAS On January 26, 2011 Buyer and Seller agreed to extend the deadlines for development of the Property and amend the Development Limitations in the Agreement; and
- (3) WHEREAS Buyer and Seller wish to amend the above terms of the Agreement and to proceed as modified and set forth in this Second Amendment to the Agreement for Purchase and Sale of Property (Amendment);

**Agreement:**

NOW THEREFORE: for other good and valuable consideration and the foregoing mutual covenants, the Parties agree as follows:

1. Section 3.1 is amended to read:

3.1 Within ~~four~~ (4) seven (7) years of Closing, Buyer shall ~~commence~~ complete construction of a Suitable Development and ~~shall complete said construction within six~~ (6) years; which dates are November 6, 2012 and November 6, 2014, respectively date is November 6, 2015. "Suitable Development," as used in this Agreement, means: A commercial office building, or retail building, or a combination of the two, which shall contain a minimum of approximately 2,900 square feet gross floor area, and shall comply with the North Gateway Urban Renewal Plan and all applicable provisions of the Salem Revised Code (SRC), including the development standards of the applicable zone, and the design review standards or guidelines contained in the City of Salem Design Review Handbook for the Portland/Fairgrounds Road Overlay Zone (SRC 143B), as may be amended. Further, a "Suitable Development," shall comply with section 3.1.2 of this Agreement.

2. The Persons signing this Amendment on behalf of Buyer and Seller represent and warrant that such person and their respective entity have the requisite power and authority to enter into, execute, and deliver this Amendment and that this Amendment is a valid and legally binding obligation of the Parties enforceable against the Parties in accordance with its terms.

3. Except as modified by this Amendment, the terms and conditions of the Agreement, which this modifies, remains in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**SELLER:**

Urban Renewal Agency of the  
City of Salem, Oregon

By: Kareef Alunaw

As its: Deputy Director

Date: 10/1/14

**BUYER:**

North Pacific Forestry, Inc.

By: Salvador A Perez

Print: Salvador A Perez

Date: 9/23/14

FIRST AMENDMENT TO THE  
AGREEMENT FOR PURCHASE AND SALE OF PROPERTY

Recitals:

- (1) WHEREAS The Urban Renewal Agency of the City of Salem, Oregon (Seller) and North Pacific Forestry, Inc. (Buyer), entered into an Agreement for Purchase and Sale of Property on October 13, 2008 (Agreement) for the property located at 2385 Fairgrounds Road, in Salem, Oregon (the "Property"); and
- (2) WHEREAS Buyer and Seller wish to extend the deadlines for development of the Property and amend the Development Limitations in the Agreement; and
- (3) WHEREAS Buyer and Seller wish to amend the above terms of the Agreement and to proceed as modified and set forth in this First Amendment to the Agreement for Purchase and Sale of Property (Amendment);

Agreement:

NOW THEREFORE, for other good and valuable consideration and the foregoing mutual covenants, the Parties agree as follows:

- I. Section 3.1 is amended to read:

3.1 Within ~~two~~ four (4) years of Closing, Buyer shall commence construction of a Suitable Development and shall complete said construction within ~~four~~ six (6) years, which dates are November 6, 2012 and November 6, 2014, respectively. "Suitable Development," as used in this Agreement, means: A commercial office building, or retail building, or a combination of the two, which shall contain a minimum of 3,000 approximately 2,900 square feet gross floor area, ~~have a minimum vertical height of twenty-five (25) feet,~~ and shall comply with the North Gateway Urban Renewal Plan and all applicable provisions of the Salem Revised Code (SRC), including the development standards of the applicable zone, and the design review standards or guidelines contained in the City of Salem Design Review Handbook for the Portland/Fairgrounds Road Overlay Zone (SRC 143B), as may be amended. Further, a "Suitable Development," shall comply with section 3.1.2 of this Agreement.

3. The Persons signing this Amendment on behalf of Buyer and Seller represent and warrant that such person and their respective entity have the requisite power and authority to enter into, execute, and deliver this Amendment and that this Amendment is a valid and legally binding obligation of the Parties enforceable against the Parties in accordance with its terms.

4. Except as modified by this Amendment, the terms and conditions of the Agreement, which this modifies, remains in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

**SELLER:**

Urban Renewal Agency of the  
City of Salem, Oregon

By: Ande Naves

As its: Executive Director

Date: 1/26/11

**BUYER:**

North Pacific Forestry, Inc.

By: [Signature]

Print: Eloy Perez

By: \_\_\_\_\_

Print: \_\_\_\_\_

Date: 01 - 10 - 11

## AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY

**SELLER:** Urban Renewal Agency of the City of Salem  
Attn: Real Estate  
350 Commercial Street NE  
Salem, OR 97301-3412

**BUYER:** North Pacific Forestry, Inc.  
Attn: Eloy A. Perez & Salvador A. Perez  
2735 Portland Road NE  
Salem, OR 97301

The Buyer and Seller are collectively referred to herein as the "Parties."

### Recitals

1. Seller is an urban renewal agency, activated by the Salem City Council pursuant to ORS 457.035. Seller owns fee simple title to the real property located at 2385 Fairgrounds Road in Salem, Oregon, as described in Exhibit A attached hereto (the "Property") and by this reference incorporated herein. Seller acquired the Property pursuant to the North Gateway Urban Renewal Plan (the "Plan") in order to mitigate blight in the North Gateway Urban Renewal Area.

2. In accordance with its authority under ORS 457.180 and the Plan, Seller desires to sell the Property to Buyer, and Buyer desires to purchase the Property on the terms and conditions herein stated, so that the Property may be developed in a manner consistent with the Plan and Buyer's development plans.

NOW THEREFORE, for good and valuable consideration and the foregoing mutual covenants of the Parties, the Parties agree as follows:

Seller and Buyer agree as follows:

1. **Price; Property Description.** Buyer agrees to purchase from Seller and Seller agrees to sell to Buyer for the sum of \$140,000.00 (the "Purchase Price") real property together with all improvements (the "Property"), legally described in "Exhibit A," which by this reference is incorporated herein. The Property is situated in the State of Oregon, County of Marion and commonly known or identified as 2385 Fairgrounds Road, Salem.

2. **Payment of Purchase Price.** Buyer has paid to Seller the amount of \$14,000.00 (the "Earnest Money"). Buyer shall pay the entire Purchase Price, less the Earnest Money and interest earned thereon, if any, at Closing.

2.1 Buyer's Conditions. Buyer's obligation to purchase the Property is contingent on satisfaction of each of the following conditions ("Buyer's Conditions"):

2.1.1 Buyer's satisfaction with the results of Buyer's inspection of the Property and of the Title Report on the Property, both of which will not be unreasonably withheld;

2.1.2 At Closing, the Seller shall provide to Buyer, at Seller's expense, a standard coverage ALTA Owner's Policy of Title Insurance, covering the Property and insuring the Buyer in the amount of the Purchase Price, free and clear of all encumbrances except the Permitted Exceptions (the "Title Policy"). Buyer, at its option and its expense, may elect to obtain extended coverage under such policy of title insurance and Seller agrees to execute any affidavits or other documents required by the Escrow Agent to enable Buyer to obtain such coverage.

3. **Development Limitations.** Buyer agrees to develop and use the property in compliance with the North Gateway Urban Renewal Plan, which by this reference is incorporated herein, ORS 457.230, and the following conditions, except that Buyer may lease the Property for a tax exempt use, so long as the Property remains in a taxable status:

3.1 Within two years of Closing, Buyer shall commence construction of a Suitable Development and shall complete said construction within four years. "Suitable Development," as used in this Agreement, means: A commercial office building, or retail building, or a combination of the two, which shall contain a minimum of 3,000 square feet gross floor area, have a minimum vertical height of twenty five (25) feet, and shall comply with the North Gateway Urban Renewal Plan and all applicable provisions of the Salem Revised Code (SRC), including the development standards of the applicable zone, and the Portland/Fairgrounds Road Overlay Zone (SRC 143B), as may be amended. Further, a "Suitable Development," shall comply with section 3.1.2 of this Agreement.

3.1.2 Buyer shall not develop or use the Property for the following uses, as these uses are defined either in the Salem Revised Code, or in the Standard Industrial Classification (SIC) Manual, 1987 ed, as applicable:

- a. Adult entertainment establishment, including adult bookstore or adult video sale or rental,
- b. Automotive Dealers and Gasoline Service Stations, SIC 55
- c. Camps and recreational vehicle parks, SIC 703,
- d. Cellular phone or microwave antenna
- e. "Fast Food" Eating and Drinking Place, SIC 58,
- f. Freestanding support structures, regardless of height,
- g. Liquor Store, SIC 592,
- h. Mobile food unit,



- i. Single or multi-family dwelling units, and
- j. Any use that is not expressly listed as a permitted, special, or conditional use in the SRC 143B.

3.2 At least thirty (30) days prior to commencing construction, Buyer shall present a detailed plan of Buyer's proposed development to Seller for Seller's written approval. In no event shall Buyer commence construction without Seller's written approval, which shall not be unreasonably withheld.

3.3 If Buyer is in breach of any condition of this section, Seller shall have the right to reenter and retake the Property as set forth in section 4 of this Agreement.

3.4 Upon Seller's verification that Buyer has completed construction of the Suitable Development, Seller shall provide Buyer a certificate of completion.

**4. Seller's Conditions.** Seller's obligation to sell the Property is contingent on satisfaction of each of the following conditions ("Seller's Conditions"):

4.1 Seller's obligation to sell the Property is contingent on approval from the Urban Renewal Agency Board of the City of Salem for this Agreement for Purchase and Sale of Property.

4.2 Seller shall place the following restriction on the deed allowing Seller a Right of Re-entry:

"This conveyance is made subject to the express condition that Seller reserves a Right to Reenter and retake the Property if Buyer, its permitted successors or assigns, fails to commence construction of a suitable development of the property within two years of Closing and substantially complete construction within four years. A "suitable development" is as defined in the Purchase and Sale Agreement between the parties, dated \_\_\_\_\_, 2008, a memorandum of which is recorded at Reel \_\_\_\_\_, Page \_\_\_\_\_, of the Marion County land records. This right of reentry is subject to the following limitations: If Buyer, its permitted successors or assigns shall fail to commence construction within two (2) years of Closing, or shall fail to substantially complete construction within four (4) years of Closing, then Seller, upon not less than ninety (90) days written notice to Buyer may reenter and terminate the estate hereby conveyed (Right of Re-entry). Seller agrees that such Right of Reentry shall not apply if Buyer is unable to timely commence or substantially complete construction for reasons beyond Buyer's reasonable control. In the event Buyer is unable to comply with this provision, for reasons beyond its control, the parties shall negotiate in good faith to a revised schedule for commencement of construction or substantial completion of construction as applicable. Buyer agrees that should Seller exercise its Right of Reentry under the conditions stated herein, Buyer will do all things reasonably necessary to reconvey the property to Seller. Seller agrees that upon Buyer timely completing construction as provided herein, Seller shall execute a termination of

this right of reentry, quitclaim deed or other appropriate documents, and record said documents, as necessary to terminate Seller's Right of Re-entry."

4.3 Should Seller elect to re-enter the Property under the conditions set out in this Section, Seller shall return no portion of the Purchase Price to Buyer.

4.4 In order to effectuate the revesting of title to the Property upon the conditions set out in this Section, Buyer hereby irrevocably makes, constitutes and appoints the City Manager of the City of Salem the lawful attorney in fact of Buyer, with limited authority to effectuate the reconveyance of property from Buyer to Seller, which authority shall cease upon the completion of the Project.

4.5 Buyer acknowledges that the Property is sold subject to a grant of an Easement and Equitable Servitudes (EES) to the Oregon Department of Environmental Quality (DEQ), recorded at Reel 2856, Page 318 of the Marion County land records that restrict and condition the use of the Property.

4.6 Buyer shall fully comply with all applicable federal, state, and local law including rules, regulations or other requirements. Consistent with this provision, Buyer shall not restrict the use of the Property or part thereof, or limit access to the Property or part thereof upon the basis of age, race, color, religion, sex, marital status, or national origin.

4.7 Buyer shall obtain necessary approvals from all Federal, State and/or local governmental entities that may have jurisdiction over the Property or the Project.

4.8 Buyer shall maintain the Property under its ownership within the area in a clean, neat, and safe condition.

4.9 Redevelopment of the Property as proposed by Buyer, and as conditioned in this Agreement, is a material inducement to Seller's entry into this Agreement for the sale of the Property to Buyer.

**5. Deed.** On the Closing Date, Seller shall execute and deliver to Buyer a Bargain and Sale Deed, conveying fee simple title in the Property on a condition subsequent with a right of re-entry (the "Deed"). Conveyance shall be free of liens and encumbrances, except permitted exceptions, unpaid and deferred real estate taxes.

**6. Possession.** Buyer shall be entitled to possession upon Closing.

**7. Property Included.** No personal property is included in the sale of the Property.

**8. Environmental Review; Obligations.**

8.1 Buyer shall acquire the Property "As Is" with all faults and Buyer shall rely on the results of its own inspection and investigation in Buyer's acquisition of the

Property. Buyer acknowledges the existence of conditions that may be hazardous, environmentally or otherwise, which may exist on the property, including but not limited to environmental contamination. Buyer expressly waives any right to seek indemnification or contribution from Seller for the costs associated with compliance with any governmental requirement or action directed at Buyer associated with the condition of the Property. Buyer expressly waives any right to seek indemnification or contribution from Seller for any claims by third parties for injury discovered after the date of this Agreement to be caused by the condition of the Property.

8.2 Seller makes no warranties or representations as to the suitability or condition of the Property or structures thereon for any improvements to be constructed by the Buyer, and except for representations and warranties otherwise provided by Seller in this Agreement. Buyer acknowledges that the Property is subject to a No Further Action letter (NFA) issued by the Oregon Department of Environmental Quality and an Easement and Equitable Servitudes that limit and condition the use of the property. Buyer acknowledges receipt of a copy of the NFA and EES from Seller. Buyer warrants that it has not relied on any representations or warranties made by the Seller as to the condition or suitability of the Property for any specific purpose. Buyer agrees that Seller will not be liable for any loss, cost or damage that may be caused or incurred by Buyer by reason of any such soil or physical conditions on the Property. Seller has allowed Buyer free access to Seller's records with respect to conditions of the soils and will assist in obtaining the cooperation of other public and private agencies having such information.

8.3 Seller represents that except as has been disclosed to Buyer, to Seller's knowledge, there has been no generation, manufacture, refinement, transportation, treatment, storage, handling, disposal, transfer, release or production of Hazardous Substances, or other dangerous or toxic substances or solid wastes on the Property.

8.4 Buyer shall comply with all environmental laws with respect to its business and the Project from and after the Closing Date. Buyer shall be responsible for any costs, fees, or penalties associated with any environmental law violation, except for matters caused in whole or in part by the act or failure to act of Seller, its employees, agents, contractors, or invitees, or a breach of Seller's representations and warranties set forth herein, in which event Seller shall be responsible for the costs, expenses and liabilities incurred by Buyer as a result thereof. Buyer shall defend, indemnify and hold harmless Seller, its successors and assigns, against any and all damages, claims, losses, liabilities and expenses, including, without limitation, reasonable legal, accounting, consulting, engineering and other expenses which may be imposed on or incurred by Seller, its successors or assigns, or asserted against Seller, its successors or assigns, by any other party or parties, including, without limitation, a governmental entity, arising out of or in connection with any violation of environmental laws by Buyer.

**9. Closing and Escrow Instructions.**

9.1 Upon execution of this Agreement, the Parties shall deposit an executed counterpart of this Agreement with Fidelity National Title Company (the "Title Company"). Seller and Buyer shall execute such reasonable additional and supplemental escrow instructions as may be appropriate to enable Title Company to comply with the terms of this Agreement; however, in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

9.2 Seller shall deliver a Bargain and Sale Deed at closing as set forth herein. Seller shall authorize the same to be recorded.

9.3 Seller shall deliver such documents as Buyer or the Title Company may require to evidence the authority of Seller to consummate this transaction.

9.4 The Title Company shall disburse all funds deposited with the Title Company by the Buyer in payment of the Purchase Price, after first deducting all items chargeable to the account of the Seller pursuant to this Agreement, and then disbursing the balance to the Seller promptly on Closing.

9.5 Title Company shall cause the Deed and any other documents that the parties may mutually direct to be recorded in the official records and obtain conformed copies for distribution to the Buyer and the Seller.

9.6 Title Company shall disburse to Seller any documents (or copies thereof) deposited into escrow by Buyer pursuant to this Agreement.

9.7 Indemnification of Title Company. If this Agreement becomes the subject of any litigation or controversy, the Buyer and the Seller agree, jointly and severally, to hold the Title Company free and harmless from any loss or expense, including attorney fees, that may be suffered by it by reason thereof, except if by reason of the Title Company's own gross negligence or willful misconduct. If conflicting demands are made or notices are served on the Title Company with respect to this Agreement, the Buyer and the Seller expressly agree that the Title Company shall be entitled to file suit in interpleader and obtain an order from the court requiring the Buyer and the Seller to interplead and litigate their several claims and rights among themselves. On filing the action in interpleader, the Title Company shall be fully released and discharged from any obligations imposed on it by this Agreement.

9.8 Nonliability of Title Company. The Title Company shall not be liable for the sufficiency or correctness regarding form, manner, execution, or validity of any instrument deposited with it, or regarding the identity, authority, or rights of any person executing such instrument, or for failure to comply with any of the

provisions of any agreement, contract, or other instrument filed with the Title Company or referred to here, except the Title Company's own performance pursuant to this Agreement or any other escrow instructions or if by reason of the Title Company's own gross negligence or willful misconduct. The Title Company's duties under this Agreement shall be limited to safekeeping the money, instruments, and other documents received by it as the Title Company, and for depositing them in accordance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Section and Section 9.7 shall limit the liability of the Title Company as the title insurer under the title policy.

9.9 Closing Date. Closing will take place and delivery of all items to be made at the Closing under the terms of this Agreement at the offices of Title Company on or before October 30, 2008, or such other date and time as Buyer and Seller may mutually agree upon in writing (the "Closing Date").

9.10 Taxes; Prorates. Real property taxes, if any, for the current tax year, insurance premiums and other usual items must be prorated as of the Closing Date. If the Property has been the subject of special assessment due to farm or forest use, and if the property becomes disqualified for such special assessment on or after Closing, Buyer shall pay all additional deferred tax or penalty resulting from such disqualification.

9.11 Closing Costs. On the closing date, Buyer and Seller shall pay all costs and expenses incurred or payable in connection with the transaction described in this agreement, including all title, survey and escrow fees, and all recording fees, which shall be shared equally; provided however that each party shall bear its own legal fees. Real property taxes and rent if any shall be prorated as of the date of possession or transfer of title, whichever is earlier

9.12 Seller's Closing Documents. At or before Closing, Seller shall deposit into escrow the duly executed and acknowledged Bargain and Sale Deed; and such additional funds as may be necessary to close this transaction.

9.13 Buyer's Closing Documents. At or before Closing, Buyer shall deposit into escrow the Purchase Price less the Earnest Money already paid to Seller; and such additional funds as are necessary to close this transaction.

9.14 Brokerage. Seller and Buyer each represent and warrant to each other that it did not employ any broker or finder to arrange or bring about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transaction contemplated by this Agreement.

**10. Representations, Warranties and Covenants.** In addition to any express agreements of the Buyer or Seller contained herein, the following constitute representations and warranties of the Buyer to the Seller, and of the Seller to the Buyer:

10.1 All requisite action, (corporate, trust, partnership, or otherwise) has been taken by the Buyer and Seller in connection with entering into this Agreement, the instruments referred to herein, and the consummation of the transactions contemplated herein. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, governing body, or other party is required.

10.2 This Agreement and all documents required by it to be executed by the Buyer and Seller are and shall be valid, legally binding obligations of, and enforceable against the Buyer or Seller in accordance with their terms.

10.3 Neither the execution and delivery of this Agreement and documents referred to herein, nor the incurring of the obligations set forth herein, nor the consummation of the transactions contemplated, nor compliance with the terms of this Agreement and the documents referred to herein conflicts with or results in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which either the Buyer or the Seller is a party.

10.4 No person, firm or entity has any right to acquire or lease all or any part of the Property prior to closing.

10.5 To the best of Seller's knowledge, except as otherwise stated in this Agreement, there are no condemnations, zoning or other land use-regulation proceedings, either instituted, or planned to be instituted, or any other litigation actions, suits or proceedings pending or threatened which would affect the use, operation, or value of the Property for Buyer's intended purpose.

10.6 Buyer's and Seller's representations and warranties contained herein are true and accurate, and are not misleading. The representations and warranties contained herein shall be continuing and shall be true and correct as of the Closing Date with the same force and effect as if remade by either the Buyer or the Seller in a separate certificate at that time. All promises, representations, conditions that cannot be fulfilled prior to closing, and warranties contained in this Agreement shall survive closing and the conveyance of the Property to Buyer.

10.7 To the best of Seller's knowledge Seller represents and warrants to Buyer that Seller is not aware of any rights, restrictions, covenants or easements not shown in the Title Report or as otherwise disclosed to Buyer.

10.8 Nonforeign Certification. The Seller represents and warrants that it is not a "foreign person" as defined in IRC §1445. The Seller will give an affidavit to the Buyer to this effect if requested by Buyer.

10.9 Buyer covenants that Buyer will use commercially reasonable efforts to obtain necessary approvals for construction of the Project from all Federal, State, and/or local agencies that may have jurisdiction over the Property and facilities to be developed.

10.10 Buyer covenants that following receipt of any necessary permits and approvals, Buyer will develop the Property in substantial conformance with the Buyer's long range development plan, and in a manner that is consistent with the Urban Renewal Plan and the terms of this Agreement, and within the time limitations established by the condition subsequent contained in the Decd. Buyer agrees to keep Seller informed of its progress with respect to development of the Project during construction, with periodic reports to be issued no less frequently than annually until the Project is completed.

**11. Entire Agreement; No Third Party Beneficiaries.** This Agreement, including all exhibits to it, sets forth the entire understanding of the Parties with respect to the purchase and sale of the Property. This Agreement supersedes all prior negotiations, discussions, agreement and understandings of the Parties. This Agreement may not be modified or amended except by a written amendment executed by both Parties. The Parties, except as provided in Section 9 regarding the Title Company, do not intend to confer any benefit on any person, firm, or corporation other than the Parties hereto. This Agreement may not be modified or amended orally.

**12. Applicable Law.** The laws of Oregon shall govern this agreement. Exclusive venue for litigation of any action arising under the Agreement shall be in the Circuit Court of the State of Oregon for Marion County. The Parties expressly waive any and all rights to maintain an action under the Agreement in any other venue and expressly consent that, upon motion of the other party, any case may be dismissed or its venue transferred, as appropriate, so as to effectuate the choice of venue in this paragraph. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, Seller and Buyer intend that (1) that portion of this Agreement be enforced to the extent permitted by law, and (2) the balance of this Agreement remain in full force and effect.

**13. Amendments.** Any modifications, changes, additions or deletions to this Agreement must be in writing and must be approved by Seller and Buyer.

**14. Notices.** All notices or other communications required or permitted under this Agreement must be in writing and must be (1) personally delivered, and shall be deemed received on receipt at the office of the addressee, or; (2) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications will be deemed received three days after deposit in the United States mail, postage prepaid, or; (3) sent by overnight courier delivery, which will be deemed received one business day after deposit with the courier, or; (4) sent by FAX, which notices and communications will be deemed received on the delivering party's receipt of a transmission confirmation.

To Buyer: North Pacific Forestry, Inc.  
Attn: Eloy A. Perez & Salvador A. Perez  
2735 Portland Road NE  
Salem, OR 97301

To Seller: Urban Renewal Agency of the City of Salem  
Attn: Real Estate Supervisor  
350 Commercial St NE  
Salem, OR 97301

With a copy to: City of Salem  
City Attorney's Office  
555 Liberty Street NE, Room 205  
Salem, OR 97301

To Title Company: Fidelity National Title Company of Oregon  
Attn: Kimberlee Chasteen  
198 Commercial Street SE, #200  
Salem, OR 97301

Notice of change of address shall be given by written notice in the manner detailed in this section.

**15. Interpretation.** If any provision of this Agreement is unenforceable as written, the Parties desire that such provision be enforced to the fullest extent allowed by law, and that the balance of this Agreement remain fully enforceable.

**16. Counting of Days.** Whenever a time period set forth in this Agreement would otherwise expire on other than a business day, the time period shall be extended to the next business day. As used in this Agreement, "business day" means a day other than a Saturday, Sunday or banking, federal or State of Oregon holiday.

**17. Counterparts.** This Agreement may be executed in one or more counterparts all of which must be considered one and the same Agreement. This Agreement is effective only when all Parties have executed the original or a counterpart.

**18. Survival of Representations.** All representations, warranties and obligations contained in this Agreement survive Closing and the conveyance of the Property to Buyer.

**19. Waivers.** No waiver of any breach or provision contained herein shall be deemed a waiver of any other provision or breach. Unless otherwise specified herein, any waiver of a provision in or required by this Agreement must be in writing. No extension of time for performance of any obligation or act shall be deemed an extension of the time for



performance of any other obligation or act. Failure by Seller to enforce any right under this agreement shall not be deemed to be a waiver of that right or of any other right.

**20. Authority.** The Parties and those signing on their behalf represent and warrant that they have the requisite legal power, right, and authority to enter into this Agreement, any instruments referred to herein, and to consummate the transactions contemplated here.

**21. Assignment.** Buyer may not assign its rights or obligations under this Agreement without the written consent of Seller, whose consent may be withheld in its sole discretion. Seller's rights and obligations hereunder shall be freely assignable.

**22. Remedies for Default.** Prior to close of escrow, the following are the exclusive remedies of the Parties in the event of default:

22.1 Default by the Seller. If the close of escrow and the consummation of this transaction herein contemplated does not occur by reason of any default by Seller, the Buyer shall be entitled to all available legal and equitable remedies, including the remedy of specific performance and the right to recover all its out-of-pocket expenses incurred in connection with the transaction.

22.2 Default by the Buyer. If the close of escrow and the consummation of this transaction herein contemplated does not occur by reason of any default by Buyer, the Seller shall be entitled to all available legal and equitable remedies, including the remedy of specific performance and the right to recover all its out-of-pocket expenses incurred in connection with the transaction.

22.3 Cancellation Charges. If this Agreement is terminated because of the Seller's default, the Seller will bear any cancellation charges required to be paid to the Title Company. If this escrow terminates because of the Buyer's default, the Buyer will bear any cancellation charges required to be paid to the Title Company. Otherwise, the Parties shall each pay one-half of any required cancellation charges.

### **23. Miscellaneous**

23.1 Partial Invalidity. If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

23.2 Effective Date. The Effective Date of this Agreement is the latter of the two dates shown next to the Parties' signatures below.

**24. Statutory Disclaimer:**

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. 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 RIGHT 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 LAW 2007.

**SELLER:**

Urban Renewal Agency of the City of Salem

**BUYER:**

North Pacific Forestry, Inc.

By: Linda Norris

As its: Executive Director

Date: 10/13/08

By: [Signature]

By: [Signature]

Date: 9/26/08

**EXHIBIT A**  
**Description of the Property**

PARCEL I: Beginning at a point on the center line of Fairgrounds Road which is South 31°58' West, 356.98 feet from the intersection of said center line with the center line of Highland Ave. in the City of Salem, Marion County, Oregon; thence North 57°42' West, 30.0 feet to an iron pipe in the Westerly line of Fairgrounds Road, this being the true point of beginning of the tract herein described; thence continuing North 57°42' West, 147.25 feet; thence North 2°58' East 31.86 feet to the South line of Fairlodge Addition, to said City; thence South 89°15' East along the South line of said addition, 39.79 feet to the Southwest corner of Lot 3 in said Fairlodge Addition; thence Northerly 45.0 feet to the Northwest corner of said Lot 3; thence South 88°14'20" East, along the North line of said Lot 3, 85.0 feet; thence North 0°34' East, parallel with the West line of Lot 2 in said Addition, 24.92 feet; thence South 88°14'20" East, parallel with the South line of said Lot 2, 56.94 feet to the Westerly line of Fairgrounds Road; thence South 31°58' West, along said Westerly line of Fairgrounds Road, 206.46 feet to the true point of beginning.

SAVE AND EXCEPT that portion of the herein described property awarded to the State of Oregon, by and through its Department of Transportation, in that certain Condemnation Suit filed October 22, 1979, as Case No. 109949, Circuit Court Records for Marion County, Oregon, described as follows:

A parcel of land lying in the Southeast quarter of Section 14, Township 7 South, Range 3 West, Willamette Meridian, Marion County, Oregon and being a portion of that property described in that deed to Eugene and Barbara A. Erickson, recorded in Book 615, Page 782 of Marion County Record of Deeds; the said parcel being that portion of said property included in a strip of land 40 feet in width, lying on the Northwestern side of the center line of the Pacific Highway East as said highway has been relocated, which center line is described as follows:

Beginning at Engineer's center line Station 22 + 00, said station being 581.54 feet North and 606.06 feet East of the initial point of Dairy Cooperative Association Addition to Salem, Oregon; thence North 31°06'28" East 292.32 feet; thence on a 5729.58 foot radius curve right (the long chord of which bears North 32°22'28" East) 253.33 feet; thence North 33°38'28" East 854.35 feet to Engineer's center line Station 36 + 11.

PARCEL II: Beginning at the Southeast corner of Lot 5, in Fairlodge Addition to Salem, Marion County, Oregon; thence North 89°15' West along the South line of said Lot 11.69 feet; thence North 31°58' East 22.44 feet to a point on the East line of said Lot 5, thence Southerly, along the East line of said Lot 19.19 feet to the point of beginning.

SAVE AND EXCEPT as follows:

A tract of land in Section 14, Township 7 South, Range 3 West, Willamette Meridian, City of Sale, Marion County, Oregon, being a potion of that property described in that document recorded in Reel 1557, Page 364, Records of Marion County, Oregon, the said tract being that portion of said property included in a strip of land 48.00 feet wide, lying on the northwesterly side of the Engineer's Centerline, and southerly of the northerly line of said strip.

The Engineer's Centerline referred to above in described as follows:

Beginning at Engineer's Centerline Station 18+11.05, said point being 713.18 feet North and 477.09 feet West of a 1-inch diameter iron pipe marking the Southeast Corner of the Samuel Penter Donation Land Claim Number 52; thence North 48°58'52" East, 29.77 feet to the point of curve of a 1,410.00 foot radius curve to the left at Engineer's Centerline Station 18+40.82; thence along the arc of said curve 381.24 feet, through a central angle of 15°29'30" (the chord of said curve bears North 41°14'07" East, 380.08 feet) to Engineer's Centerline Station 22+22.06; thence North 33°29'22" East, 418.57 feet to the point of curve of a 2,000.00 foot raduis cruve to the right at Engineer's Centerline Station 26+40.63.

The widths in feet of the strip of land referred to above are as follows:

Station	to	Station	Width on the northwesterly side of Engineer's Centerline.
22+30.00		24+50.00	48.00

