



**COMMERCIAL ASSOCIATION OF REALTORS® OREGON/SW WASHINGTON
PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY**
(Oregon Commercial Form)

AGENCY ACKNOWLEDGMENT

Buyer shall execute this Acknowledgment concurrent with the execution of the Agreement below and prior to delivery of that Agreement to Seller. Seller shall execute this Acknowledgment upon receipt of the Agreement by Seller, even if Seller intends to reject the Agreement or make a counter-offer. In no event shall Seller's execution of this Acknowledgment constitute acceptance of the Agreement or any terms contained therein.

Pursuant to the requirements of Oregon Administrative Rules (OAR 863-015-0215), both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and by execution below acknowledge and consent to the agency relationships in the following real estate purchase and sale transaction as follows:

- (a) ☒ (Agent name) Gabe Johansen of SMI Commercial Real Estate, LLC (firm) (Selling Licensee) is the agent of (check one): ☒ Buyer exclusively; ☐ Seller exclusively; ☐ both Seller and Buyer ("Disclosed Limited Agency")
- (b) ☒ (Agent name) Jennifer Martin of Mid-Valley Commercial Real Estate (firm) (listing licensee) is the agent of (check one): ☐ Buyer exclusively; ☒ Seller exclusively; ☐ both Seller and Buyer ("Disclosed Limited Agency").

If the name of the same real estate firm appears in both Paragraphs (a) and (b) above, Buyer and Seller acknowledge that a principal broker of that real estate firm shall become the Disclosed Limited Agent for both Buyer and Seller, as more fully set forth in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and the named real estate licensee(s).

ACKNOWLEDGED

Buyer: (print) Salem Housing Authority and/or assigns (sign) Salem Housing Authority Date: 1/11/2018
DocuSigned by: C456ED3B27EA4B2...

Seller: (print) Ponderosa Leasing Corp (sign) _____ Date: _____

Seller: (print) _____ (sign) _____ Date: _____

PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

1 Dated: January 9th, 2018

2 BETWEEN: Ponderosa Leasing Corp. ("Seller")

3 Address: P.O. Box 21267 Keizer, OR 97307

4
5 AND: Salem Housing Authority and/or assigns ("Buyer")

6 Address: 360 Church Street SE Salem, OR 97301

7
8 Buyer offers to buy and acquire from Seller (i) the real property and all improvements
9 thereon commonly known as .58 acres of RM2 zoned land located at 4075 Fisher
10 Road NE (R25905 / 073W12AD00800) in the City of Salem, County of Marion, Oregon
11 legally described on Exhibit A, attached hereto and incorporated herein by reference
12 (the "Property") and [check box if applicable ☐, (ii) all of Seller's right, title and interest
13 in and to certain lease(s) by which the Property is demised as described on Exhibit B
14 attached hereto and incorporated herein by reference (the "Leases"). If no legal
15 description is attached, Buyer and Seller will attach a legal description upon receipt and
16 reasonable approval by both parties of the Preliminary Commitment or, if applicable,
17 the Survey. As partial consideration for the assignment of the Lease(s) to Buyer, at
18 the Closing (as defined in Section 7 hereof) Buyer shall assume all of the obligations of
19 the Lessor under the Lease which first accrue on or after the Closing Date (as defined
20 in said Section 7). The parties shall accomplish such assignment and assumption by
21 executing and delivering to each other through Escrow an Assignment of Lessor's
22 Interest Under Lease substantially in the form of Exhibit B attached hereto (the
23 "Assignment"). The occupancy of the Property by the Lessees under such Leases are
24 hereinafter sometimes referred to as the "Tenancies".

25
26 1. Purchase Price. The total purchase price is One Hundred and Fifty
27 Thousand dollars (\$150,000.00) (the "Purchase Price") payable as follows: via a
28 combination of down payment and financing. Sale is contingent on the prior closing of
29 the 19,336 square foot special use building located at 4107 Fisher Road NE between
30 the same Buyer and Seller.

31
32
33 1.1. Earnest Money Deposit. Upon execution of this Agreement, Buyer shall
34 deliver to the Escrow Holder as defined in herein, for the account of Buyer \$5,000 as
35 earnest money (the "Earnest Money") in the form of ☐ cash or ☐ check or ☐
36 promissory note (the "Note"). If the Earnest Money is in the form of a check being held
37 un-deposited by the ☐ Listing ☐ Selling Firm, it shall be deposited no later than 5 PM
38 Pacific Time three days after execution of the Agreement by Buyer and Seller in the ☐
39 Listing ☐ Selling Firm's Clients' Trust Account ☐ to the Escrow (as hereinafter
40 defined). If the Earnest Money is in the form of the Note, it shall be due and payable no
41 later than 5 PM Pacific Time one day ☐ after execution of this Agreement by Buyer
42 and Seller or ☐ after satisfaction or waiver by Buyer of the conditions to Buyer's
43 obligation to purchase the Property set forth in this Agreement or ☒ Other: See
44 Addendum #A. If the Note is not redeemed and paid in full when due, then (i) the Note
45 shall be delivered and endorsed to Seller (if not already in Seller's possession), (ii)

Seller may collect the Earnest Money from Buyer, either pursuant to an action on the Note or an action on this Agreement, and (iii) Seller shall have no further obligations under this Agreement. The purchase and sale of the Property shall be accomplished through an escrow (the "Escrow") which Seller has established or will establish with [AmerTitle, Stephanie Moore, Agent – 320 Church St Salem, OR 97301 or Seller's Choice](#) (the "Title Company") and the Earnest Money shall be deposited with ☒ Title Company or ☐ Other: [N/A](#) The Earnest Money shall be applied to the payment of the purchase price for the Property at Closing. Any interest earned on the Earnest Money shall be considered to be part of the Earnest Money. The Earnest Money shall be returned to Buyer in the event any condition to Buyer's obligation to purchase the Property shall fail to be satisfied or waived through no fault of Buyer.

2. Conditions to Purchase. Buyer's obligation to purchase the Property is conditioned on the following: ☐ none or ☒ Buyer's approval of the results of (i) the Property inspection described in Section 3 below and (ii) the document review described in Section 4 and (iii) (describe any other condition) [See Addendum #A](#). If for any reason in Buyer's sole discretion, Buyer has not given written waiver of these conditions, or stated in writing that these conditions have been satisfied, by written notice given to Seller within [240](#) days after the delivery of a fully executed Agreement to Buyer and Seller, this Agreement shall be deemed automatically terminated, the Earnest Money shall be promptly returned to Buyer, and thereafter, except as specifically provided to the contrary herein, neither party shall have any further right or remedy hereunder.

3. Property Inspection. Seller shall permit Buyer and its agents, at Buyer's sole expense and risk, to enter the Property at reasonable times after reasonable prior notice to Seller and after prior notice to the tenants of the Property as required by the tenants' leases, if any, to conduct any and all inspections, tests, and surveys concerning the structural condition of the improvements, all mechanical, electrical and plumbing systems, hazardous materials, pest infestation, soils conditions, wetlands, Americans with Disabilities Act compliance, and all other matters affecting the suitability of the Property for Buyer's intended use and/or otherwise reasonably related to the purchase of the Property including the economic feasibility of such purchase. Buyer shall indemnify, hold harmless, and defend Seller from all liens, costs, and expenses, including reasonable attorneys' fees and experts' fees, arising from or relating to Buyer's entry on and inspection of the Property. This agreement to indemnify, hold harmless, and defend Seller shall survive closing or any termination of this Agreement.

4. Seller's Documents. Within [30](#) days after the Execution Date, Seller shall deliver to Buyer, at Buyer's address shown below, legible and complete copies of the following documents and other items relating to the ownership, operation, and maintenance of the Property, to the extent now in existence and to the extent such items are within Seller's possession or control: [Any and all documents/reports related to the history of and and operation of the property.](#)

5. Title Insurance. Within [10](#) days after the Execution Date, Seller shall open the Escrow with the Title Company and deliver to Buyer a preliminary title

report from the Title Company (the "Preliminary Commitment"), showing the status of Seller's title to the Property, together with complete and legible copies of all documents shown therein as exceptions to title ("Exceptions"). Buyer shall have 5 days after receipt of a copy of the Preliminary Commitment and Exceptions within which to give notice in writing to Seller of any objection to such title or to any liens or encumbrances affecting the Property. Within 5 days after the date of such notice from Buyer, Seller shall give Buyer written notice of whether it is willing and able to remove the objected-to Exceptions. Within 5 days after the date of such notice from Seller, Buyer shall elect whether to (i) purchase the Property subject to those objected-to Exceptions which Seller is not willing or able to remove or (ii) terminate this Agreement. On or before the Closing Date (defined below), Seller shall remove all Exceptions to which Buyer objects and which Seller agrees Seller is willing and able to remove. All remaining Exceptions set forth in the Preliminary Commitment and agreed to by Buyer shall be deemed "Permitted Exceptions." The title insurance policy to be delivered by Seller to Buyer at Closing shall contain no Exceptions other than the Permitted Exceptions, any Exceptions caused by Buyer and the usual preprinted Exceptions contained in an owner's standard ALTA form title insurance policy.

6. Default; Remedies. Notwithstanding anything to the contrary contained in this Agreement, in the event Buyer fails to deposit the Earnest Money Deposit in Escrow strictly as and when contemplated under Section 1.1 above, Seller shall have the right at any time thereafter to terminate this Agreement and all further rights and obligations hereunder by giving written notice thereof to Buyer. If the conditions, if any, to Buyer's obligation to consummate this transaction are satisfied or waived by Buyer and Buyer nevertheless fails, through no fault of Seller, to close the purchase of the Property, Seller's sole remedy shall be to retain the Earnest Money paid by Buyer. In the event Seller fails, through no fault of Buyer, to close the sale of the Property, Buyer shall be entitled to pursue any remedies available at law or in equity, including without limitation, the remedy of specific performance. In no event shall Buyer be entitled to punitive or consequential damages, if any, resulting from Seller's failure to close the sale of the Property.

7. Closing of Sale. Buyer and Seller agree the sale of the Property shall be closed within ☒ November 30th, 2018 (Seller to grant Buyer one 30 day extension for closing if needed) (the "Closing Date") in the Escrow. The sale shall be deemed "closed" when the document(s) conveying title to the Property is recorded and the Purchase Price (increased or decreased, as the case may be, by the net amount of credits and debits to Seller's account at Closing made by the Escrow Holder pursuant to the terms of this Agreement) is disbursed to Seller. At Closing, Buyer and Seller shall deposit with the Title Company all documents and funds required to close the transaction in accordance with the terms of this Agreement. At Closing, Seller shall deliver a certification in a form approved by Buyer that Seller is not a "foreign person" as such term is defined in the Internal Revenue Code and the Treasury Regulations promulgated under the Internal Revenue Code. If Seller is a foreign person and this transaction is not otherwise exempt from FIRPTA regulations, the Title Company shall be instructed by the parties to withhold and pay the amount required by law to the Internal Revenue Service. At Closing, Seller shall convey fee simple title to the

Property to Buyer by ☒ statutory warranty deed or ☐ (the "Deed"). If this Agreement provides for the conveyance by Seller of a vendee's interest in the Property by a contract of sale, Seller shall deposit with the Title Company (or other mutually acceptable escrow) the executed and acknowledged Deed, together with written instructions to deliver such deed to Buyer upon payment in full of the purchase price. At Closing, Seller shall pay for and deliver to Buyer a standard ALTA form owner's policy of title insurance (the "Policy") in the amount of the Purchase Price insuring fee simple title to the Property in Buyer subject only to the Permitted Exceptions and the standard preprinted exceptions contained in the Policy.

8. Closing Costs; Prorates. Seller shall pay the premium for the Policy. Seller and Buyer shall each pay one-half of the escrow fees charged by the Title Company, any excise tax, and any transfer tax. Real property taxes for the tax year in which the transaction is closed, assessments (if a Permitted Exception), personal property taxes, rents and other Lessee charges arising from existing Tenancies paid for the month of Closing, interest on assumed obligations, and utilities shall be prorated as of the Closing Date. Prepaid rents, security deposits, and other unearned refundable deposits regarding the Tenancies shall be assigned and delivered to Buyer at Closing. ☒ Seller ☐ Buyer ☐ N/A shall be responsible for payment of all taxes, interest, and penalties, if any, upon removal of the Property from any special assessment or program.

9. Possession. Buyer shall be entitled to exclusive possession of the Property, subject to the Tenancies existing as of the Closing Date, ☒ on the Closing Date.

10. Condition of Property. Seller represents that, to the best of Seller's knowledge without specific inquiry, Seller has received no written notices of violation of any laws, codes, rules, or regulations applicable to the Property ("Laws"), and Seller is not aware of any such violations or any concealed material defects in the Property which cost more than \$500 to repair or correct. Risk of loss or damage to the Property shall be Seller's until Closing and Buyer's at and after Closing. No agent of Buyer or Seller has made any representations regarding the Property. BUYER AND SELLER AGREE THAT THE REAL ESTATE LICENSEES NAMED IN THIS AGREEMENT HAVE MADE NO REPRESENTATIONS TO ANY PARTY REGARDING THE CONDITION OF THE PROPERTY, THE OPERATIONS ON OR INCOME FROM THE PROPERTY, THE TENANCIES, OR WHETHER THE PROPERTY OR THE USE THEREOF COMPLIES WITH LAWS. Except for Seller's representations set forth in this section 10, 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. It shall be a condition of Buyer's obligation to close, and of Seller's right to retain the Earnest Money as of Closing, that all of the Seller's representations and warranties stated in this Agreement are materially true and correct on the Closing Date. Seller's representations and warranties stated in this Agreement shall survive Closing for one (1) year.

11. Personal Property. This sale includes the following personal property: ☐ or ☒ the personal property located on and used in connection with the Property and owned by Seller which Seller shall itemize in a schedule. Seller shall deliver to Buyer such schedule within 30 days after the Execution Date. Seller shall convey all personal property owned by Seller on or in the Property to Buyer by executing and delivering to Buyer at Closing through Escrow a Bill of Sale substantially in the form of Exhibit C attached hereto and incorporated herein by reference (the "Bill of Sale").

12. Notices. Unless otherwise specified, any notice required or permitted in, or related to, this Agreement must be in writing and signed by the party to be bound. Any notice will be deemed delivered (i) when personally delivered or delivered by facsimile transmission (with electronic confirmation of delivery), or (ii) on the day following delivery of the notice by reputable overnight courier, or (iii) three (3) days after mailing in the U.S. mails, postage prepaid, by the applicable party in all events, to the address of the other party shown in this Agreement, unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day. If the deadline under this Agreement for delivery of a notice or payment is a Saturday, Sunday, or legal holiday, such last day will be deemed extended to the next following business day.

13. Assignment. Buyer ☐ may not assign ☒ may assign to City of Salem or its Urban Renewal Agency ☐ may assign, only if the assignee is an entity owned and controlled by Buyer (may not assign, if no box is checked) this Agreement or Buyer's rights under this Agreement without Seller's prior written consent. If Seller's consent is required for assignment, such consent may be withheld in Seller's reasonable discretion.

14. Attorneys' Fees. In the event a suit, action, arbitration, or other proceeding of any nature whatsoever, including without limitation any proceeding under the U.S. Bankruptcy Code, is instituted, or the services of an attorney are retained, to interpret or enforce any provision of this Agreement or with respect to any dispute relating to this Agreement, the prevailing party shall be entitled to recover from the losing party its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith (the "Fees"). In the event of suit, action, arbitration, or other proceeding, the amount of Fees shall be determined by the judge or arbitrator, shall include all costs and expenses incurred on any appeal or review, and shall be in addition to all other amounts provided by law.

15. Statutory Land Use 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, WHICH, IN FARM AND FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH 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 195.336 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 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.** IF PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505, ORS 358.515 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.

16. Cautionary Notice About Liens. UNDER CERTAIN CIRCUMSTANCES, A PERSON WHO PERFORMS CONSTRUCTION-RELATED ACTIVITIES MAY CLAIM A LIEN UPON REAL PROPERTY AFTER A SALE TO THE PURCHASER FOR A TRANSACTION OR ACTIVITY THAT OCCURRED BEFORE THE SALE. A VALID CLAIM MAY BE ASSERTED AGAINST THE PROPERTY THAT YOU ARE PURCHASING EVEN IF THE CIRCUMSTANCES THAT GIVE RISE TO THAT CLAIM HAPPENED BEFORE YOUR PURCHASE OF THE PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED TO, CIRCUMSTANCES WHERE THE OWNER OF THE PROPERTY CONTRACTED WITH A PERSON OR BUSINESS TO PROVIDE LABOR, MATERIAL, EQUIPMENT OR SERVICES TO THE PROPERTY AND HAS NOT PAID THE PERSONS OR BUSINESS IN FULL.

17. Miscellaneous. Time is of the essence of this Agreement. The facsimile transmission of any signed document including this Agreement, in accordance with Paragraph 12, shall be the same as delivery of an original. At the request of either party, the party delivering a document by facsimile will confirm facsimile transmission by signing and delivering a duplicate original document. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same Agreement. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements between them with respect thereto. Without limiting the provisions of Section 13 of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. The person signing this Agreement on behalf of Buyer and the person signing this Agreement on behalf of Seller each represents, covenants and warrants that such person has full right and authority to enter into this Agreement and to bind the party for whom such person signs this Agreement to the terms and provisions of this Agreement. This Agreement shall not be recorded unless the parties otherwise agree.

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Sth

18. Addendums; Exhibits. The following named addendums and exhibits are attached to this Agreement and incorporated within this Agreement: ☐ none or ☒ Addendum #A.

19. Time for Acceptance. Seller has until 3:00 p.m. Pacific Time on Wednesday, January 17th, 2018 to accept this offer. Acceptance is not effective until a copy of this Agreement which has been signed and dated by Seller is actually received by Buyer. If this offer is not so accepted, it shall expire and the Earnest Money shall be promptly refunded to Buyer and thereafter, neither party shall have any further right or remedy against the other.

20. Seller's Acceptance and Brokerage Agreement. By execution of this Agreement, Seller agrees to sell the Property on the terms and conditions in this Agreement. Seller further agrees to pay a commission to SMI Commercial Real Estate, LLC in the total amount computed in accordance with (i) the listing agreement or other commission agreement between Seller and Broker; or (ii) if there is no written commission agreement, Seller hereby agrees to pay a commission of ☒ Two point Five percent (2.5%) of the purchase price or ☐ \$____. Seller and Broker agree that the commission is deemed earned as of the earlier of (i) Closing or (ii) the date Buyer waives all conditions precedent to Closing as set forth in this Agreement. Unless otherwise provided in a separate written agreement, Seller shall cause the Escrow Holder to deliver to Broker the real estate commission on the Closing Date or upon Seller's breach of this Agreement, whichever occurs first. If the Earnest Money is forfeited and retained by Seller in accordance with this Agreement, in addition to any other rights the Broker may have, the Broker shall be entitled to the lesser of (A) fifty percent (50%) of the Earnest Money or (B) the commission agreed to above, and Seller hereby assigns such amount to the Broker.

21. Execution Date. The Execution Date is the later of the two dates shown beneath the parties' signatures below.

22. Governing Law. This Agreement is made and executed under, and in all respects shall be governed and construed by the laws of the State of Oregon.

CONSULT YOUR ATTORNEY. THIS DOCUMENT HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY FOR REVIEW AND APPROVAL PRIOR TO SIGNING. NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE COMMERCIAL ASSOCIATION OF REALTORS® OREGON/SW WASHINGTON OR BY THE REAL ESTATE LICENSEES INVOLVED WITH THIS DOCUMENT AS TO THE LEGAL SUFFICIENCY OR TAX CONSEQUENCES OF THIS DOCUMENT.

THIS FORM SHOULD NOT BE MODIFIED WITHOUT SHOWING SUCH MODIFICATIONS BY REDLINING, INSERTION MARKS, OR ADDENDA.

DS
SKA

327 DocuSigned by:
328 Buyer: Salem Housing Authority Seller: _____
329 Buyer: C456ED3B27EA4B2... Seller: _____
330 By _____ By _____
331 Title _____ Title _____
332 Execution Date 1/11/2018 Execution Date _____
333 Time of Execution _____ Time of Execution _____
334 Home Phone _____ Home Phone _____
335 Office Phone _____ Office Phone _____
336 Address _____ Address _____
337 City _____ City _____
338 Zip _____ Zip _____
339 Fax No. _____ Fax No. _____
340 E-Mail _____ E-Mail _____

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344 **EXHIBIT A**
345 **LEGAL DESCRIPTION OF PROPERTY**

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347 **Description to be provided by Escrow**
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352 SELLER ACCEPTS OFFER _____ DATE _____
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354 SELLER REJECTS OFFER _____ DATE _____
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356 SELLER REJECTS OFFER BUT MAKES ATTACHED COUNTER OFFER
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358 _____ DATE _____
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Reference: Purchase and Sale Agreement Dated January 9th, 2018
Addendum #A

ADDENDUM TO CONTRACT & RECEIPT FOR EARNEST MONEY

1. Parties

This is an Addendum to a ☒ Contract & Receipt for Earnest Money ☐ Seller's Counter Offer between:
Buyer: **Salem Housing Authority and/or assigns** and Seller: **Ponderosa Leasing Corp**

2. The Property

- (a) The **real property** is located in or near the City of **Salem**, County of **Marion**, and State of **Oregon**.
(b) The **real property** commonly known as (street address): **4075 Fisher Road NE**

This Addendum will become a part of and will be incorporated by this reference into the Contract & Receipt for Earnest Money or Seller's Counter Offer referred to above when signed by Buyer and Seller.

1. Seller shall maintain the property grounds and fixtures in its present condition. Seller shall not allow the property to fall into disrepair and shall be responsible for any damage prior to the close of escrow.
2. Seller agrees to not enter into any long-term agreements that would be passed with the property to Buyer without Buyers written consent.
3. Subject to the Buyer's interior and exterior inspection of the property and approval of the inspection to be done within 60 days of mutual execution of this agreement.
4. Buyer to deposit earnest money of Five Thousand Dollars (\$5,000) with escrow within 2 business days of completion of initial inspection.
5. Buyer to have 240 days for due diligence. During this period of time, Seller shall cooperate with Buyer and Buyer's agents to facilitate access for Buyers contractors both on the property grounds and to the interiors of the apartments. Contractors shall be on premises for the explicit purpose of providing Buyer bids to complete final construction of the subject property.
6. Subject to the review and approval of any and all surveys, plans, contracts, warranties, environmental documents that Sellers supplies as part of this agreement. Seller to provide these documents within 30 days of execution of this agreement.
7. Subject to the Buyer obtaining City of Salem's approval of the Buyer's intended use.
8. Subject to Buyer obtaining acceptable financing.
9. Sale is contingent on the prior closing of the 19,336 square foot special use building located at 4107 Fisher Road NE between the same Buyer and Seller.
10. Seller to remove all vehicles, debris and any other garbage from the property within 30 days of mutual acceptance.

DocuSigned by:
Buyer: Salem Housing Authority
Date: 1/11/2018
C456ED3B27EA46211

Seller: _____
Date: _____

Buyer: _____
Date: _____

Seller: _____
Date: _____

Selling Office: SMI Commercial Real Estate, LLC

Listing Office: Mid-Valley Commercial Real Estate

Selling Licensee: Gabe Johansen
Date: _____ Broker's Initials _____

Listing Licensee: Jennifer Martin
Date: _____ Broker's Initials _____

Oregon. This pamphlet is informational only and neither the pamphlet nor its delivery to you may be construed to be evidence of intent to create an agency relationship.

Real Estate Agency Relationships

An 'agency' relationship is a voluntary legal relationship in which a real estate licensee (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:

Sellers 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.

Duties and Responsibilities of an Agent

Who Represents Only the Seller or Only the Buyer

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 agrees to represent a buyer acts only as the buyer's agent unless the buyer agrees in writing to allow the agent to also represent the seller. An agent who represents only the seller or only the buyer owes the following affirmative duties to their client, other parties and their agents involved in a real estate transaction:

1. To exercise reasonable care and diligence;
2. To deal honestly and in good faith;
3. To present all written offers, notices and other communications in a timely manner whether or not the seller's property is subject to a contract for sale or the buyer is already a party to a contract to purchase;
4. To disclose material facts known by the agent and not apparent or readily ascertainable to a party;
5. To account in a timely manner for money and property received from or on behalf of the client;
6. To be loyal to their client by not taking action that is adverse or detrimental to the client's interest in a transaction;
7. To disclose in a timely manner to the client any conflict of interest, existing or contemplated;
8. To advise the client to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
9. To maintain confidential information from or about the client except under subpoena or court order, even after termination of the agency relationship; and
10. When representing a seller, 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. When representing a buyer, to make a continuous, good faith effort to find property for the buyer, except that buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase or to show properties for which there is no written agreement to pay compensation to the buyer's agent.

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None of these affirmative duties of an agent may be waived, except #10, which can only be waived by written agreement between client 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. Similarly, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching any 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.

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, buyer(s) and their agent.

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

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.

An agent acting under a Disclosed Limited Agency agreement has the same duties to the client as when representing only a seller or only a buyer, except that the agent may not, without written permission, disclose any of the following:

1. That the seller will accept a lower price or less favorable terms than the listing price or terms;
2. That the buyer will pay a greater price or more favorable terms than the offering price or terms; or
3. In transactions involving one-to-four residential units only, information regarding the real property transaction including, but not limited to, price, terms, financial qualifications or motivation to buy or sell.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation. Unless agreed to in writing, an agent acting under a Disclosed Limited Agency agreement has no duty to investigate matters that are outside the scope of the agent's expertise.

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

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PROMISSORY NOTE
(For Earnest Money)

Date: [January 9th, 2018](#)

Seller(s)/Lessor(s): [Ponderosa Leasing Corp](#)

Purchaser(s)/Lessee(s): [Salem Housing Authority and/or assigns](#)

Property Address: [4075 Fisher Road NE Salem, OR 97305](#)

KNOW ALL MEN BY THESE PRESENTS, that the undersigned do hereby promise to pay to the order of AmeriTitle Company, the sum of [Five Thousand dollars and no/100 \(\\$5,000.00\)](#) with interest thereon at the rate of twelve percent (12%) per annum from default until paid in full.

This note is due and payable on [two business days after completion of the initial property inspection](#). In the event of closing of this transaction, all accrued interest shall be forgiven.

This note is intended to be a deposit of earnest money in the above referenced transaction, and shall be subject to the terms and conditions of that agreement, a copy of which is attached hereto. Said Earnest Money Agreement shall govern and control the effectiveness or cancellation of this note in the event this transaction does not close.

If this note is placed in the hands of an attorney for collection, we promise and agree to pay holder's reasonable attorneys fees, costs, disbursements and other collection costs, even though no suit or action is filed hereon; if a suit or action is filed, the amount of such reasonable attorneys fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard, or decided. SMI Commercial Real Estate, LLC does not maintain a Client's Trust Account. All money shall be immediately deposited at Escrow Company as identified in Sale Agreement.

Dated the date first above written, at Salem, Marion County, Oregon.

DocuSigned by:

Buyer

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