

PROJECT: 682093

REAL ESTATE OPTION AGREEMENT

BETWEEN: ARGO INVESTMENT CORP., JOHN SAFFRON, NANCY HASMAN, DIANE G. WARSHAL
and RICHARD GASSNER (collectively, "SELLER")

AND: THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM, ("BUYER")
quasi-municipal corporation

Seller and Buyer are sometimes hereinafter collectively referred to as the "Parties."

Recitals:

A. Seller owns fee simple title to certain real property in the City of Salem, Marion County, Oregon, more particularly described in Exhibit "A" attached hereto; and

B. Buyer desires to obtain from Seller, and Seller is willing to grant to Buyer, an exclusive option to purchase the real property and improvements, together with all other rights, and tenements appurtenant to the real property and improvements, which are collectively referred to herein as the "Property".

Agreement:

For and in consideration of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500) (the "Option Fee"), payable to Seller on January 2, 2018, the parties agree as follows:

1. Grant of Option. Seller hereby grants to Buyer an exclusive and irrevocable option (the "Option") to acquire the Property, described in Exhibit A and as shown in Exhibit B, for the price and in accordance with the terms and conditions set forth in this Option Agreement ("Agreement"). The Option will be valid for a period of nine (9) months from the date this Agreement is last signed by all parties hereto (the "Option Period"). Unless extended by the mutual agreement of the parties, this Agreement shall terminate and be of no further force and effect upon the expiration of Option Period. Should additional time be required to complete due diligence, the parties shall negotiate an extension of this Agreement in good faith and without delay.

2. Purchase Price. The purchase price for the Property (the "Purchase Price") shall be determined by appraisal (appraiser to be mutually agreed upon by the Parties) less a credit to Buyer at closing for one-half of the Option Fee. The appraisal shall be completed within thirty (30) days of Buyer's exercise of the Option. The Parties shall share equally the cost of the appraisal. Seller has recently had an appraisal of the Property completed by Powell Banz Valuation. If Powell Banz can provide an update to the previously completed appraisal, Buyer shall reimburse Seller for one-half of the cost of the original appraisal and one-half of the cost of the updated. If, however, the age of the previous appraisal requires that a new appraisal be completed, then Buyer shall reimburse Seller for one-half of the cost of a new appraisal.

In the event Seller is dissatisfied with the value of the Property determined by the appraisal, Seller may obtain, at its expense, a second appraisal of the Property. The second appraiser shall be

reasonably acceptable to Buyer. If the conclusion of value of the second appraisal is different than the first appraisal, the Purchase Price shall be the average of the values determined by the two appraisers. Notwithstanding this Section, the Purchase Price shall be no less than Two Million Dollars (\$2,000,000) and Seller shall not be obligated to sell the Property to Buyer for a Purchase Price of less than Two Million Dollars (\$2,000,000).

3. Environmental Due Diligence. Seller agrees to provide Buyer with any and all previous environmental information related to the Property. Seller also agrees to permit Buyer, its employees, contractors, and vendors access to the Property, upon no less than 48 hours' notice, to perform any additional environmental assessment necessary, as solely determined by Buyer. However, Buyer may only perform invasive or subsurface testing or investigation upon written approval by Seller of Buyer's plan for such testing or investigation, which will not be unreasonably withheld or delayed. Buyer will pay when due all costs and expenses incurred in the conduct of Buyer's due diligence. Upon Seller's request, Buyer will provide Seller with complete copies of all reports, studies, evaluations and other materials pertaining to the Property which are obtained or conducted by Buyer in the course of its due diligence investigations. Buyer shall coordinate with Seller and Sellers' tenants to limit any interference with the tenants' businesses during Buyer's investigations or due diligence.

In the event Buyer or Buyer's employees, contractors or vendors disturb any portion of the Property in the conduct of Buyer's due diligence investigations, Buyer will at its expense promptly restore the Property to its former condition upon the completion of its investigations. To the extent permitted by the Oregon Tort Claims Act, ORS 30.260 through 30.300, Buyer shall protect, defend, indemnify and hold Seller and Seller's tenants, agents and employees harmless for, from and against any claims, liabilities, damages, liens, attorneys' fees, penalties, demands, causes of actions and suits of any nature whatsoever which are the proximate result of the entry onto the Property by Buyer, its agents, employees, representatives or contractors. This indemnity obligation shall survive the purchase of the Property or the termination of this Agreement, as applicable.

4. Exercise of Option. Buyer, on or after payment of Option Fee, may exercise the Option by giving written notice conforming to the requirements of Section 6.4 not later than 5:00 p.m. Pacific Time on or before the expiration of the Option Period. The Option may only be exercised for all of the Property. Seller has no obligation to sell a portion of the Property.

5. Purchase and Sale Agreement. Upon completion of appraisal and environmental due diligence, the Parties shall enter into a Purchase and Sale Agreement defining the terms of the sale. The Purchase and Sale Agreement shall be executed within sixty (60) days of exercise of the Option, and the purchase and sale shall close within sixty (60) days of the execution of the Purchase and Sale Agreement.

6. General Provisions.

6.1 Ownership. During the Option Period, Seller will not sell, contract to sell, assign, lease or otherwise transfer the Property or any interest therein, nor grant an option to any third party to acquire all or any portion of it without first obtaining written consent of Buyer, which will not be unreasonably withheld or delayed.

6.2 Assignment. Buyer may not assign this Agreement without Seller's prior written consent.

6.3 Governing Law. This Agreement shall be governed by the laws of the state of Oregon.

6.4 Notices. All notices or communications of any kind which may be required or permitted to be given under this Agreement shall be in writing and shall be served by personal delivery or by mailing a copy thereof addressed as follows:

To Seller:

Attn: John Saffron
299 W. 12th Street, Apt. 8G
New York, NY 10014-1823

To Buyer:

The Urban Renewal Agency of the City of Salem
Real Property Services Division
Attn: Clint Dameron
350 Commercial St NE
Salem, Oregon 97301

7. Amendment. This Agreement may not be modified or amended except by the written agreement of the parties. No modification or amendment or attempted waiver of any provisions of this Agreement shall be binding unless in writing and signed by the party to be bound.

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.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date last signed by all parties below.

Seller: ARGO INVESTMENT CORP.

By: John Saffron
John Saffron, President

DATE: 11/11/17

Seller: JOHN SAFFRON

John Saffron

DATE: 11/11/17

Seller: NANCY HASMAN

DATE: _____

Seller: DIANE WARSHALL

DATE: _____

Seller: RICHARD GASSNER

DATE: _____

IN WITNESS WHEREOF, the parties have executed this Agreement on the date last signed by all parties below.

Seller: ARGO INVESTMENT CORP.

By: _____
John Saffron, President

DATE: _____

Seller: JOHN SAFFRON

DATE: _____

Seller: NANCY HASMAN

Nancy Hasman

DATE: 11/11/17

Seller: DIANE WARSHALL

DATE: _____

Seller: RICHARD GASSNER

DATE: _____

IN WITNESS WHEREOF, the parties have executed this Agreement on the date last signed by all parties below.

Seller: ARGO INVESTMENT CORP.

By: _____
John Saffron, President

DATE: _____

Seller: JOHN SAFFRON

DATE: _____

Seller: NANCY HASMAN

DATE: _____

^{G.}
Seller: DIANE WARSHAL

Diane M. Warshal

DATE: 11-10-17

Seller: RICHARD GASSNER

DATE: _____

IN WITNESS WHEREOF, the parties have executed this Agreement on the date last signed by all parties below.

Seller: ARGO INVESTMENT CORP.

By: _____
John Saffron, President

DATE: _____

Seller: JOHN SAFFRON

DATE: _____

Seller: NANCY HASMAN

DATE: _____

Seller: DIANE WARSHALL

DATE: _____

Seller: RICHARD GASSNER

Richard A Gassner

DATE: 4/13/17

Buyer: THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM

By: Steven D. Stevens

Its: Executive Director

Date: 11/22/2017

EXHIBIT A
REAL PROPERTY

Parcel 1

Beginning at the Southeast corner of Lot Four (4) in Block Fifty (50) in the City of Salem, Oregon; thence running North along the East line of said Lot Four (4), 52 feet 3 inches to the middle of the North main brick wall of the State Insurance Building; thence West through the center of said brick wall 100 feet; thence south 52 feet 3 inches to the South line of said Lot 4; thence East along the South line of said Lot 4, 100 feet, to the place of beginning, and situated in the City of Salem, in Marion County, State of Oregon, as shown by the recorded plat of said City of Salem, now of record in the Office of the Recorder of Conveyances for said Marion County, Oregon.

ALSO, beginning at a point 52 feet 3 inches Northerly from the Southeast corner of Lot No. 4 in Block No. 50 in the City of Salem, Marion County, Oregon, said beginning point being on the East line of said lot, and in the center of the North main brick wall of what is known as the State Insurance Building; thence Northerly along the East line of said lot, 18 feet 9 inches, to the Southeast corner of the land formerly owned by M. E. Sperry and A. A. Sperry; thence Westerly parallel with the South line of said block, 165 feet, to the alley in said block; thence Southerly, along the East line of said alley, 18 feet 9 inches; thence Easterly parallel with the South line of said block, and extending directly through the center of the North main brick wall of what is known as the State Insurance Building, 165 feet, to the place of beginning, all in said block No. 50, in Salem, Oregon, as shown by the recorded plat thereof.

Marion County Property Tax ID: R89358
Map Tax Lot: 073W22DC03900
Site Address: 279 & 311 Commercial St. NE

Parcel 2

Beginning on the Easterly boundary of Lot Four (4) in Block Fifty (50) in Salem, Marion County, Oregon, at a point 11.5 feet Southerly from the Northeast corner of said Lot 4 and on the center line of a wall; thence Westerly along the center line of said wall 165 feet to the Westerly boundary of said lot; thence Northerly along the Westerly boundary of Lots 4 and 3 in said block, 25.50 feet to a point 14.00 feet Northerly from the Northwest corner of said Lot 4; thence Easterly parallel with the Southerly boundary of said block, 77.65 feet to an iron pipe; thence Southerly 3.32 feet parallel with the Westerly boundary of said Lot 3, to an iron pipe set on the Westerly projection of the center line of a 12 inch brick wall; thence Easterly along the Westerly projection of the center line of said brick wall, 87.35 feet to the Easterly boundary of said Lot 3; thence Southerly 22.25 feet to the place of beginning.

Marion County Property Tax ID: R89357
Map Tax Lot: 073W22DC04000
Site Address: 325 Commercial St. NE

Parcel 3

Beginning at the Southwest corner of Lot Four (4), in Block Fifty (50) of the City of Salem in Marion County, Oregon, and running thence East along the South line of said Lot, 25.00 feet and 6 inches; thence Northerly and parallel with the West line of said Lot, 52.00 feet and 3 inches; thence Westerly and parallel with the South line of said Lot, 25.00 feet and 6 inches to the West line of said Lot; thence Southerly along the West line of said Lot, 52.00 feet and 3 inches to the place of beginning.

SUBJECT to possible rights of others in and to existing walls upon the Northerly and Easterly lines of the above described real property.

Marion County Property Tax ID: R89360

Map Tax Lot: 073W22DC03700

Site Address: 285 Chemeketa St. NE

Parcel 4

Lot Eight (8), Block Fifty (50) of the City of Salem, Marion County, Oregon, according to the original plat of Said City now on file and of record in the office of the County Recorder in and for Marion County, Oregon. Also: Commencing at the Southwest corner of Lot 8, in Block 50, running thence South 35.4 feet; thence East, parallel with the South line of said Lot 8, to the alley; thence North along the West line of said alley 35.4 feet to the South side of Lot 8; thence West following the Southern boundary line of said Lot to the place of beginning, situated in Lot 7, Block 50, City of Salem, Marion County, Oregon.

SAVE AND EXCEPTING the following described property: Commencing at a point 28.4 feet South of the Southwest corner of Lot 8, Block 50, City of Salem, running thence East, parallel with the South line of Lot 8 to the alley; thence South along said alley 7 feet; thence West to the West boundary line of Lot 7, in Block 50, City of Salem; thence North 7 feet to the place of beginning, being part of Lot 7, Block 50, City of Salem, Marion County, Oregon.

Marion County Property Tax ID: R89365

Map Tax Lot: 073W22DC03100 & 3200

Site Address: 240-270 Center St. NE

Parcel 5

Lot 6, Block 50, City of Salem, Marion County, Oregon.

SUBJECT TO: The terms and provisions of the Urban Renewal Plan recorded in Reel 17, Page 213, Film Records for Marion County, Oregon, and revised in Reel 62, Page 328; further revised in Reel 93, Page 348, and further revised in Reel 118, Page 871, Film Records for Marion County, Oregon

Marion County Property Tax ID: R89363

Map Tax Lot: 073W22DC03400

Site Address: 350 Front St. NE

EXHIBIT B
MAP OF PROPERTY

