

PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

This PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY (this "Agreement") dated October 5, 2020, for reference purposes only, shall be effective on the date when this Agreement has been executed and delivered by Seller and Buyer (the "Execution Date"):

BETWEEN: City of Salem ("Seller")
Address: 350 Commercial Street NE
Salem, OR 97301

AND: HD Fowler Co., Inc. and/or Assigns ("Buyer")
Address: 3633 136th Place SE, Suite 100
Bellevue, WA 98006

1. Purchase and Sale.

1.1 Generally. In accordance with this Agreement, Buyer agrees to buy and acquire from Seller, and Seller agrees to sell to Buyer the following, all of which are collectively referred to in this Agreement as the "Property:" (a) the real property and all improvements thereon generally described or located at Salem Business Campus LOT 3 in the City of Salem, County of Marion, Oregon, and legally described on Exhibit A (the "Real Estate") (if no legal description is attached, the legal description shall be the legal description of the Real Estate in the Preliminary Report (described in Section 5), subject to the review and approval of both parties hereto), including all of Seller's right, title and interest in and to all fixtures, appurtenances, and easements thereon or related thereto; (b) all of Seller's right, title and interest, if any, in and to any and all leases to which the Real Estate is subject (each, a "Lease"); and (c) any and all personal property located on and used in connection with the operation of the Real Estate and owned by Seller (the "Personal Property"). If there are any Leases, see Section 22.1, below. The occupancies of the Property pursuant to any Leases are referred to as the "Tenancies" and the occupants thereunder are referred to as "Tenants." If there is any Personal Property, see Section 22.2, below.

1.2 Purchase Price. The purchase price for the Property shall be Eight Hundred Eighty-eight Thousand Six Hundred Twenty-four dollars (\$888,624) (the "Purchase Price"). The Purchase Price shall be adjusted, as applicable, by the net amount of credits and debits to Seller's account at Closing (defined below) made by Escrow Holder pursuant to the terms of this Agreement. The Purchase Price shall be payable as follows:

1.2.1 Earnest Money Deposit.

(a) Within Five (5) days of the Execution Date, Buyer shall deliver into Escrow (as defined herein), for the account of Buyer, \$25,000 as earnest money (the "Earnest Money") in the form of:

☒ promissory note in the form of Exhibit B (the "Note"); ☐ check; or ☐ cash equivalent (wire transfer; cashier's or certified check) or other immediately available funds.

(b) If the Earnest Money is in the form of a Note, it shall be due and payable ☐ no later than 5:00 PM Pacific Time three (3) days after the Execution Date; ☒ after satisfaction or waiver by Buyer of the Conditions to Buyer's obligation to purchase the Property set forth in Section 2.1 of this Agreement; or ☐ Other: . If the terms of the Note and this Agreement conflict, the terms of this Agreement shall govern. If the Note is not redeemed and paid in full when due, then: (i) the Note 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.

(c) The purchase and sale of the Property shall be accomplished through an escrow (the "Escrow") that Seller has established or will establish with Ticor Title Insurance Attn: Candice Weischedel 111 SW

Columbia St. Suite 1000 Portland, OR 97201 (the "Escrow Holder") within 3 days after the Execution Date. Except as otherwise provided in this Agreement: (i) any interest earned on the Earnest Money shall be considered to be part of the Earnest Money; (ii) the Earnest Money shall be non-refundable upon satisfaction or waiver of all Conditions as defined in Section 2.1; and (iii) the Earnest Money shall be applied to the Purchase Price at Closing.

1.2.2 Balance of Purchase Price. Buyer shall pay the balance of the Purchase Price at Closing by ☒ cash or other immediately available funds; or ☐ Other: ____.

1.3 Section 1031 Like-Kind Exchange. Each party acknowledges that either party (as applicable, the "Exchanging Party") may elect to engage in and effect a like-kind exchange under Section 1031 of the Internal Revenue Code, involving the Property (or any legal lot thereof) (a "1031 Exchange"). The non-Exchanging Party with respect to a 1031 Exchange is referred to herein as the "Cooperating Party." Buyer and Seller each hereby agree to reasonably cooperate with the other in completing each such 1031 Exchange; provided, however, that such cooperation shall be at the Exchanging Party's sole expense and shall not delay the Closing for the Property. An assignment of this Agreement by the Exchanging Party to a 1031 Exchange accommodator shall be permitted but shall not delay Closing or release the Exchanging Party from its obligations under this Agreement. The Cooperating Party shall not suffer any costs, expenses or liabilities for cooperating with the Exchanging Party and shall not be required to take title to the exchange property. The Exchanging Party agrees to indemnify, defend and hold the Cooperating Party harmless from any liability, damages and costs arising out of the 1031 Exchange.

2. Conditions to Purchase.

2.1 Buyer's obligation to purchase the Property is conditioned on the following:

- ☐ None;
- ☒ Within 90 days of the Execution Date, Buyer's approval of the results of (collectively, the "General Conditions"): (a) the Property inspection described in Section 3 below; and (b) the document review described in Section 4 below.
- ☐ Within ____ days of the Execution Date, Buyer's receipt of confirmation of satisfactory financing (the "Financing Condition"); and/or
- ☐ _____ [Other conditions must be specifically identified].

The General Conditions, Financing Condition and any other conditions in Section 2.1 above shall be collectively defined as the "Conditions."

2.2 If, for any reason in Buyer's sole discretion, Buyer has not timely given written waiver of the Conditions, or stated in writing that such Conditions have been satisfied, by notice given to Seller within the time periods for such Conditions set forth above, 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 obligation, 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 by Seller to the Tenants as required by the applicable 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, zoning, 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. If the transaction contemplated in this Agreement fails to close for any reason (or no reason) as a result of the act or omission of Buyer or its agents, Buyer shall promptly restore the Property to substantially the condition the Property was in prior to Buyer's performance of any inspections or work. Buyer shall indemnify, hold harmless, and defend Seller from all liens, liability, damages, costs, and expenses,

including reasonable attorneys' fees and experts' fees, arising from or relating to Buyer's or its agents', contractors' or consultants' 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 7 days after the Execution Date, Seller shall deliver, physically or electronically, to Buyer or Buyer's designee, legible and complete copies of the following documents, including without limitation, a list of the Personal Property, 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 or come within Seller's possession or control, including, without limitation, surveys, building and site plans, environmental reports, Leases, service contracts, rent roll, operating statements for the previous two years and current year-to-date, governmental notices, and

5. Title Insurance. Within three (3) days after the Execution Date, Seller shall instruct a title company selected by Seller (the "Title Company") to deliver to Buyer a preliminary title report from the Title Company (the "Preliminary Report"), 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 ten (10) days after receipt of a copy of the Preliminary Report 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 ten (10) days after receipt of such notice from Buyer, Seller shall give Buyer written notice of whether it is willing and able to remove the objected-to Exceptions. Without the need for objection by Buyer, Seller shall, with respect to liens and encumbrances that can be satisfied and released by the payment of money, eliminate such exceptions to title on or before Closing. On or before the last day for Buyer to approve the results of the General Conditions set forth in Section 2.1 above (the "Title Contingency Date"), 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. If Buyer fails to give Seller notice of Buyer's election, then such inaction shall be deemed to be Buyer's election to terminate this Agreement. On or before the Closing Date (defined below), Seller shall remove all Exceptions to which Buyer objected and which Seller agreed, or is deemed to have agreed, to remove. All remaining Exceptions set forth in the Preliminary Report and those Exceptions caused by or agreed to by Buyer shall be deemed "Permitted Exceptions."

6. Default; Remedies. Notwithstanding anything to the contrary contained in this Agreement, in the event Buyer fails to deposit the Earnest Money in Escrow strictly as and when contemplated under Section 1.2.1 above, Seller shall have the right at any time thereafter, but prior to Buyer's deposit of the Earnest Money in Escrow, 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 close this transaction are satisfied or waived by Buyer and Buyer fails, through no fault of Seller, to close on the purchase of the Property, Seller's sole remedy shall be to retain the Earnest Money paid by Buyer as liquidated damages. If the conditions, if any, to Seller's obligation to close this transaction are satisfied or waived by Seller and Seller fails, through no fault of Buyer, to close the sale of the Property, Buyer shall be entitled as its sole and exclusive remedy to either: (i) terminate this Agreement, receive a refund of the Earnest Money, and be reimbursed for Buyer's out-of-pocket costs related to this transaction; or (ii) to pursue the remedy of specific performance. If Buyer has not filed an action for specific performance within sixty (60) days after the scheduled Closing Date, Buyer shall be deemed to have elected remedy (i) above. In no event shall either party be entitled to punitive or consequential damages, if any, resulting from the other party's failure to close the sale of the Property. **BUYER AND SELLER EACH AGREE THAT IF BUYER DEFAULTS UNDER THIS AGREEMENT, THE DAMAGES TO SELLER WOULD BE EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN, AND THAT THEREFORE, IF BUYER DEFAULTS HEREUNDER THE LIQUIDATED DAMAGES AMOUNT SHALL SERVE AS DAMAGES FOR THE DEFAULT BY BUYER, AS A REASONABLE ESTIMATE OF THE DAMAGES TO SELLER, INCLUDING COSTS OF NEGOTIATING AND DRAFTING THIS AGREEMENT, COSTS OF COOPERATING IN SATISFYING CONDITIONS TO CLOSING, COSTS OF SEEKING ANOTHER BUYER, OPPORTUNITY COSTS IN KEEPING THE PROPERTY OUT OF THE MARKETPLACE, AND OTHER COSTS INCURRED IN CONNECTION HERewith.**

152 7. Closing of Sale.

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154 7.1 Buyer and Seller agree the sale of the Property shall be closed ("Closing"), in Escrow, ☐ on or
155 before ___ or ☒ 15 days after the Conditions set forth in Sections 2.1 have been satisfied or waived in writing by Buyer
156 (the "Closing Date"). The sale of the Property shall be deemed closed when the document(s) conveying title to the
157 Property is/are delivered and recorded and the Purchase Price is disbursed to Seller.

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159 7.2 At Closing, Buyer and Seller shall deposit with the Escrow Holder all documents and funds required
160 to close the transaction in accordance with the terms of this Agreement. At Closing, Seller shall deliver a certification
161 confirming whether Seller is or is not a "foreign person" as such term is defined by applicable law and regulations.

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163 7.3 At Closing, Seller shall convey fee simple title to the Property to Buyer by ☒ statutory warranty deed
164 or ☐ ___ (the "Deed"). At Closing, Seller shall cause the Title Company to deliver to Buyer a standard ALTA form
165 owner's policy of title insurance (the "Title Policy") in the amount of the Purchase Price insuring fee simple title to the
166 Property in Buyer subject only to the Permitted Exceptions and the standard preprinted exceptions contained in the
167 Title Policy. Seller shall reasonably cooperate in the issuance to Buyer of an ALTA extended form policy of title
168 insurance. Buyer shall pay any additional expense resulting from the ALTA extended coverage and any endorsements
169 required by Buyer.

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171 8. Closing Costs; Prorations. Seller shall pay the premium for the Title Policy, provided, however, if Buyer
172 elects to obtain an ALTA extended form policy of title insurance and/or any endorsements, Buyer shall pay the
173 difference in the premium relating to such election. Seller and Buyer shall each pay one-half (1/2) of the escrow fees
174 charged by the Escrow Holder. Any excise tax and/or transfer tax shall be paid by ☐ Seller ☐ Buyer ☒ split equally
175 between Seller and Buyer. Real property taxes for the tax year of the Closing, assessments (if a Permitted Exception),
176 personal property taxes, rents and other charges arising from existing Tenancies paid for the month of Closing, and
177 interest on assumed obligations shall be prorated as of the Closing Date based on amounts collected. Seller shall use
178 reasonable efforts to cause any applicable utility meters to be read on the day prior to the Closing Date and will be
179 responsible for the cost of any utilities used prior to the Closing Date. If applicable, prepaid rents, prepaid common
180 area maintenance charges, reserves, security deposits, and other unearned refundable deposits relating to Tenancies
181 shall be assigned and delivered to Buyer at Closing. ☐ Seller ☐ Buyer ☒ N/A shall be responsible for payment of
182 all taxes, interest, and penalties, if any, upon removal of the Property from any special assessment or program. If any
183 of the aforesaid prorations cannot be definitely calculated on the Closing Date, then they shall be estimated at Closing
184 and definitely calculated as soon after the Closing Date as feasible.

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186 9. Possession. Seller shall deliver exclusive possession of the Property, subject to the Tenancies (if any)
187 existing as of the Closing Date and the Permitted Exceptions, to Buyer ☒ on the Closing Date or ☐ ___.

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189 10. Condition of Property. Seller represents and warrants to Buyer that: (i) Seller has received no written
190 notices of violation of any laws, codes, rules, or regulations applicable to the Property ("Laws") that were not delivered
191 to Buyer pursuant to Section 4 above; (ii) to the best of Seller's knowledge without specific inquiry, the Property is not
192 in violation of any Laws and there are no concealed material defects in the Property; (iii) Seller has delivered complete
193 copies of all Leases and service contracts for the Property to Buyer; and (iv) to the best of Seller's knowledge, the
194 documents prepared by Seller and delivered to Buyer pursuant to Section 4 are accurate in all material respects.
195 Unless caused by Buyer, Seller shall bear all risk of loss and damage to the Property until Closing, and Buyer shall
196 bear such risk at and after Closing. Except for Seller's representations and warranties set forth in this Section 10,
197 Buyer shall acquire the Property "AS IS" with all faults and Buyer shall rely on the results of its own inspection and
198 investigation in Buyer's acquisition of the Property. It shall be a condition of Buyer's Closing obligation that all of Seller's
199 representations and warranties stated in this Agreement are materially true and correct on the Closing Date. Seller's
200 representations and warranties stated in this Agreement shall survive Closing for one (1) year.

11. Condemnation or Casualty. If, prior to Closing, all or any material part of the Property is (a) condemned or appropriated by public authority or any party exercising the right of eminent domain, or is threatened thereby, or (b) if there occurs a fire or other casualty causing material damage to the Property or any material portion thereof, then, at the election of Buyer by written notice to Seller, either: (i) this Agreement shall terminate, whereupon all Earnest Money and any interest accrued thereon shall be promptly refunded to Buyer; or (ii) this Agreement shall remain in effect and Seller shall assign to Buyer at Closing Seller's entire right, title and interest in the taking award or casualty insurance proceeds attributable to the portion of the Property taken or destroyed, as the case may be. If Buyer fails to make such election within twenty (20) days after written notice from Seller, Buyer shall be deemed to have elected option (ii) above. Seller will promptly notify Buyer as to the commencement of any such action or any communication from a condemning authority that a condemnation or appropriation is contemplated and will cooperate with Buyer in the response to or defense of such actions.

12. Operation of Property. Between the Execution Date and the Closing Date, Seller shall: (i) continue to operate, maintain and insure the Property consistent with Seller's current operating practices; (ii) provide Buyer with copies of any proposed new leases, agreements or contracts described below; and (iii) not, without Buyer's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed, enter into: (a) any new leases or occupancy agreements for the Property; (b) any material amendments or modification agreements for any existing Leases or occupancy agreements for the Property; or (c) any service contracts or other agreements affecting the Property that are not terminable prior to Closing.

13. Assignment. Assignment of this Agreement: ☐ is PROHIBITED; or ☒ is PERMITTED, without consent of Seller; provided, that assignment of this Agreement by Buyer to an entity owned or controlled by Buyer or to a 1031 Exchange accommodator is permitted without Seller's consent. If Seller's written consent is required for assignment, such consent may be withheld in Seller's reasonable discretion. In the event of any assignment, Buyer shall remain liable for all Buyer's obligations under this Agreement.

14. Arbitration. **IF AND ONLY IF THIS SECTION IS INITIALED BY BUYER AND SELLER, THE FOLLOWING SHALL APPLY TO THIS AGREEMENT:**

ANY DISPUTE BETWEEN BUYER AND SELLER RELATED TO THIS AGREEMENT, THE PROPERTY, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT WILL BE RESOLVED BY ARBITRATION GOVERNED BY THE OREGON UNIFORM ARBITRATION ACT (ORS 36.600 et seq.) AND, TO THE EXTENT NOT INCONSISTENT WITH THAT STATUTE, CONDUCTED IN ACCORDANCE WITH THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF THE ARBITRATION SERVICE OF PORTLAND ("ASP"). THE ARBITRATION SHALL BE CONDUCTED IN PORTLAND, OREGON AND ADMINISTERED BY ASP, WHICH WILL APPOINT A SINGLE ARBITRATOR HAVING AT LEAST FIVE (5) YEARS EXPERIENCE IN THE COMMERCIAL REAL ESTATE FIELD IN THE ___ GEOGRAPHIC AREA (**IF BLANK IS NOT COMPLETED, PORTLAND METROPOLITAN AREA**). ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN THIRTY (30) DAYS OF THE DEMAND FOR ARBITRATION UNLESS THE ARBITRATOR, FOR SHOWING OF GOOD CAUSE, EXTENDS THE COMMENCEMENT OF SUCH HEARING. THE DECISION OF THE ARBITRATOR WILL BE BINDING ON BUYER AND SELLER, AND JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE PARTIES ACKNOWLEDGE THAT, BY AGREEING TO ARBITRATE DISPUTES, EACH OF THEM IS WAIVING CERTAIN RIGHTS, INCLUDING ITS RIGHTS TO SEEK REMEDIES IN COURT (INCLUDING A RIGHT TO A TRIAL BY JURY), TO DISCOVERY PROCESSES THAT WOULD BE ATTENDANT TO A COURT PROCEEDING, AND TO PARTICIPATE IN A CLASS ACTION.

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Initials of Buyer

Initials of Seller

15. 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 or non-defaulting party shall be entitled to recover from the losing or defaulting party its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred 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.

16. Statutory Notice. 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 (Definitions for ORS 30.930 to 30.947), IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSONS RIGHTS, IF ANY, UNDER ORS 195.300 (Definitions for ORS 195.300 to 195.336), 195.301 (Legislative findings) AND 195.305 (Compensation for restriction of use of real property due to land use regulation) TO 195.336 (Compensation and Conservation Fund) 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 (Definitions for ORS 92.010 to 92.192) OR 215.010 (Definitions), 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 (Definitions for ORS 195.300 to 195.336), 195.301 (Legislative findings) AND 195.305 (Compensation for restriction of use of real property due to land use regulation) TO 195.336 (Compensation and Conservation Fund) 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.

17. 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.

18. Brokerage Agreement. The Agency Acknowledgement on page 1 this Agreement is incorporated into this Agreement as if fully set forth herein. Seller agrees to pay a commission to Buying Firm in the amount of either: ☒ Five percent (5 %) of the Purchase Price or ☐ \$____. Such commission shall be divided between Selling Firm and Buying Firm such that Selling Firm receives ____ percent (____%) and Buying Firm _____ percent (____%). Seller shall cause the Escrow Holder to deliver to Selling Firm and Buying Firm the real estate commission on the Closing Date or upon the failure of this transaction to Close on account of Seller's default under this Agreement, whichever occurs first. If the Earnest Money is forfeited by Buyer and retained by Seller in accordance with this Agreement, in addition to any other rights the Selling Firm and Buying Firm may have, the Selling Firm and the Buying Firm, together, shall be entitled to the lesser of: (i) fifty percent (50%) of the Earnest Money; or (ii) the commission agreed to above, and Seller hereby assigns such amount to the Selling Firm and the Buying Firm.

19. 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: (a) when personally delivered; (b) when delivered by facsimile or electronic mail transmission (in either case, with confirmation of delivery); (c) on the day of delivery of the notice by reputable overnight courier; or (d) on the day of delivery of the notice by mailing by certified or registered U.S. mail, postage prepaid, return receipt requested, unless that day is a Saturday, Sunday, or federal or Oregon State legal holiday, in which event such notice will be deemed delivered on the next following business day. All notices shall be sent by the applicable party to the address of the other party shown at the beginning of this Agreement.

20. Miscellaneous. Time is of the essence of this Agreement. If the deadline under this Agreement for delivery of a notice or performance of any obligation is a Saturday, Sunday, or federal or Oregon State legal holiday, such deadline will be deemed extended to the next following business day. The facsimile and/or electronic mail transmission of any signed document including this Agreement shall be the same as delivery of an original, and digital signatures shall be valid and binding. At the request of either party, the party delivering a document by facsimile and/or electronic mail will confirm such transmission by signing and delivering to the other party a duplicate original document. This Agreement may be executed in 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. Without limiting the provisions of Section 13 of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective successors and assigns. Solely with respect to Sections 15 and 18, Selling Firm and Buying Firm are third party beneficiaries of this Agreement. 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 its terms and provisions. Neither this Agreement nor a memorandum hereof shall be recorded unless the parties otherwise agree in writing.

21. 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.

22. Lease(s) and Personal Property.

22.1 Leases.

22.1.1 Seller shall use commercially reasonable efforts to deliver to Buyer, at least ___ days **(three (3) if not filled in)** before the Closing Date, a tenant estoppel certificate, reasonably acceptable to Buyer, pertaining to each Lease at the Property in effect as of the Closing Date (each, a "Tenant Estoppel") for each Tenant occupying 5,000 square feet or more of the Property and Tenants occupying not less than eighty percent (80%) of the remaining leasable square feet of the Property. Such Tenant Estoppels shall be dated no more than ___ days **(thirty (30) if not filled in)** prior to the Closing Date and shall certify, among other things: (a) that the Lease is unmodified and in full force and effect, or is in full force and effect as modified, and stating the modifications; (b) the amount of the rent and the date to which rent has been paid; (c) the amount of any security deposit held by Seller; and (d) that neither party is in default under the Lease or if a default by either party is claimed, stating the nature of any such claimed default. If Seller has not obtained Tenant Estoppels from all Tenants of the Property, then Seller shall have the right, but not the obligation, to execute and deliver to Buyer a Tenant Estoppel with respect to any such Lease setting forth the information required by this Section 22.1.1 and confirming the accuracy thereof. Buyer's timely receipt of Tenant Estoppels from all Tenants satisfying the foregoing requirements shall be a condition to Buyer's obligation to Close this transaction.

22.1.2 If applicable, the assignment of the Lease(s) by Seller, and assumption of the Lease(s) by Buyer, shall be accomplished by executing and delivering to each other through Escrow on the Closing Date an Assignment of Lessor's Interest under Lease substantially in the form of Exhibit C (the "Assignment").

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354 22.2 Personal Property. If applicable, Seller shall convey all Personal Property to Buyer by
355 executing and delivering to Buyer at Closing through Escrow (as defined below), a Bill of Sale substantially in the form
356 of Exhibit D (the "Bill of Sale"). A list of such Personal Property shall be attached to the Bill of Sale.

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358 23. Residential Lead-Based Paint Disclosure. IF THE PROPERTY CONSISTS OF RESIDENTIAL
359 HOUSING BUILT PRIOR TO 1978, BUYER AND SELLER MUST COMPLETE THE LEAD-BASED PAINT
360 DISCLOSURE ADDENDUM ATTACHED HERETO AS EXHIBIT E.

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362 24. Addenda; Exhibits. The following named addenda and exhibits are attached to this Agreement and
363 incorporated within this Agreement:

- 364 ☒ Exhibit A – Description of Property
365 ☒ Exhibit B – Form of Earnest Money Promissory Note
366 ☐ Exhibit C – Assignment of Lessor's Interest under Lease (if applicable)
367 ☐ Exhibit D – Bill of Sale (if applicable)
368 ☐ Exhibit E – Lead Paint Disclosure Addendum (if applicable)
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370 25. OFAC Certification. The Federal Government, Executive Order 13224, requires that business persons
371 of the United States not do business with any individual or entity on a list of "Specially Designated nationals and Blocked
372 Persons" - that is, individuals and entities identified as terrorists or other types of criminals. Seller and Buyer hereinafter
373 certify to each other that:

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375 25.1 It is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation
376 named by any Executive Order or the United States Treasury Department as a terrorist, specially designated national
377 and/or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or
378 administered by the Office of Foreign Assets Control; and

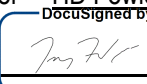
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380 25.2 It has not executed this Agreement, directly or indirectly on behalf of, or instigating or
381 facilitating this Agreement, directly or indirectly on behalf of, any such person, group, entity, or nation.
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Seller and Buyer hereby agree to defend, indemnify, and hold harmless each other from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification. This certification and agreement to indemnify, hold harmless, and defend shall survive Closing or any termination of this Agreement.

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 BROKERS OREGON/SW WASHINGTON OR BY THE REAL ESTATE AGENTS 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.

Buyer HD Fowler Co., Inc. and/or Assigns

By: 
99E8C9A712A9481...

Name: James F. Fowler

Title: President

Date: 10/26/2020

Seller City of Salem

By: _____

Name: _____

Title: _____

Date: _____

Time for Acceptance. If the second party to execute this Agreement has not executed and delivered this Agreement within _____ days (**five (5) if not filled in**) after the date this Agreement was signed by the first party to execute this Agreement set forth above, then any Earnest Money deposited shall be promptly refunded to Buyer and neither party shall have any right or obligation hereunder.

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

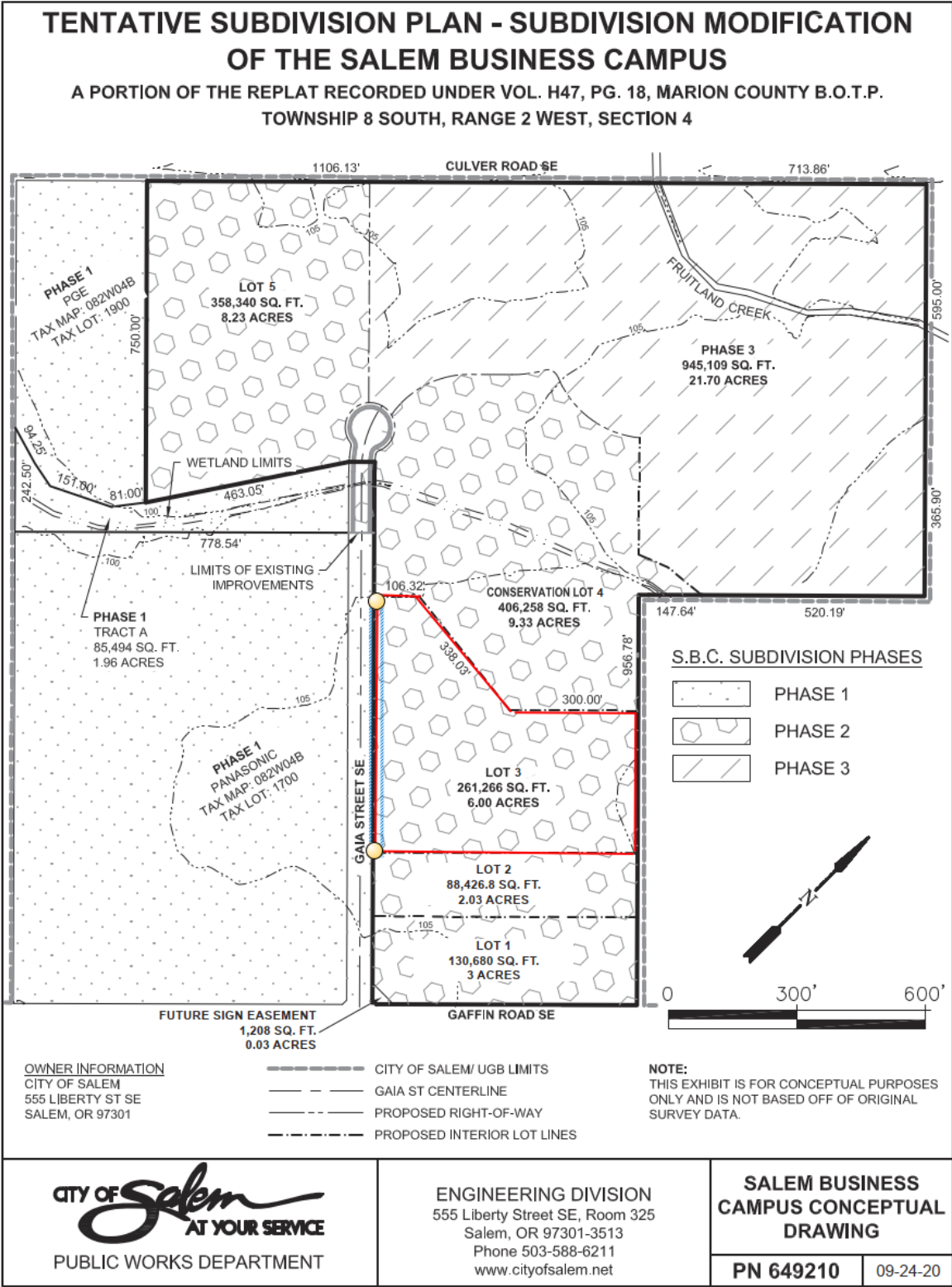


EXHIBIT B

EARNEST MONEY PROMISSORY NOTE

\$25,000

October 6, 2020

FOR VALUE RECEIVED, HD Fowler Co., Inc. ("Buyer"), promises to pay to the order of City of Salem ("Seller"), the sum of Twenty Five Thousand Dollars (\$25,000) in lawful money of the United States, together with interest on that amount, upon the agreements, terms and conditions provided in that certain Purchase and Sale Agreement and Receipt for Earnest Money with an execution date of _____, 20____, with respect to the property located at _____ (the "Purchase Agreement"). The amount payable hereunder shall be due and payable, if at all, pursuant to the terms and conditions of the Purchase Agreement.

1. Definitions. The term "Default" means any of the following events: (i) Buyer at any time fails to pay, when due, any sum owing on this Note; or (ii) Buyer breaches or fails to perform any obligation under this Note. The term "Default Rate" means the rate of interest otherwise payable on this Note plus ten percent (10%).

2. Interest. This Note shall not bear interest unless and until Buyer shall be in Default of this Note. Should the Buyer Default on any of the obligations specified in this Note, all sums owing on the Note shall bear interest at the Default Rate.

3. Waivers. Buyer hereby waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of protest and nonpayment, notice of costs, expenses or losses and interest on those, and all other notices required by law, except as specifically set for in this Note.

4. Remedies. Upon a Default, Seller shall have all rights available to it in this Note and the Purchase Agreement. Any unpaid balance outstanding at the time of a Default, and any costs or other expenses incurred by Seller in realizing on this Note after a Default, shall bear interest at the Default Rate.

5. Attorneys' Fees, Costs, and Other Expenses. Buyer agrees to pay all costs and expenses which Seller may incur by reason of a Default, including, but not limited to, reasonable attorneys' fees, expenses, and costs incurred in any action undertaken with respect to this Note, or any appeal of such an action.

6. Transfer; Obligations Binding on Successors. Buyer may not transfer any of its rights, duties, or obligations under this Note without the prior written consent of Seller. This Note, and the duties set forth in the Note, shall bind Buyer and its successors and assigns. All rights and powers established in this Note shall benefit Seller and its successors and assigns.

7. Notices. Any notice or other communication required or permitted under this Note shall be in writing and shall be deemed to have been duly given when delivered pursuant to Section 19 of the Purchase Agreement.

8. Governing Law. This Note shall be construed in accordance with and governed by the laws of the State of Oregon, exclusive of conflicts of laws.

9. Headings. Headings used in this Note have been included for convenience and ease of reference only and will not in any manner influence the construction or interpretation of any provision of this Note.

38 10. Entire Agreement. This Note represents the entire understanding of the parties with respect to the
39 subject matter of the Note. There are no other prior or contemporaneous agreements, either written or oral between
40 the parties with respect to this subject.

41 11. Waiver. No right or obligation under this Note will be deemed to have been waived unless
42 evidenced by a writing signed by the party against whom the waiver is asserted, or by its duly authorized
43 representative. Any waiver will be effective only with respect to the specific instance involved, and will not impair or
44 limit the right of the waiving party to insist upon strict performance of the right or obligation in any other instance, in
45 any other respect, or at any other time.

46 12. Severability. The parties intend that this Note be enforced to the greatest extent permitted by
47 applicable law. Therefore, if any provision of this Note, on its face or as applied to any person or circumstance, is or
48 becomes unenforceable to any extent, the remainder of this Note and the application of that provision to other
49 persons, circumstances, or extent, will not be impaired.

50 13. Maximum Interest. Notwithstanding any other provisions of this Note, any interest, fees, or charges
51 payable by reason of the indebtedness evidenced by this Note shall not exceed the maximum permitted by law.

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53
54 **Buyer: HD Fowler Co., Inc. and/or Assigns**

55 DocuSigned by:

56 By: 

57 Name: James F. Fowler

58 Title: President