

REAL ESTATE AGREEMENT

BY THIS REAL ESTATE AGREEMENT, effective on the date last signed by both parties ("Effective Date"), UNITED WAY OF THE MID-WILLAMETTE VALLEY, Inc. ("Purchaser") and the City of Salem, an Oregon municipal corporation ("Seller"), do hereby agree as follows:

1. **Premises.** Seller shall sell to Purchaser and Purchaser shall purchase from Seller, at the price and on the terms and conditions set forth herein, the real property, access and property rights, and all improvements thereto, which are identified as Tax Lots #072W19AC01200, #072W19AC01300, #072W19AC01500, #072W19AC01600, #072W19AC01701, and #072W19AC01800 in the City of Salem, Marion County, Oregon, and are more particularly shown in Exhibit A and described in Exhibit B, attached hereto and incorporated herein ("Premises").

2. **Purchase Price.** Purchaser shall pay Seller TWENTY dollars (\$20) and for other good and valuable consideration ("Purchase Price") for each Lot, as defined below.

2.1 **Payment of Purchase Price.**

At each Closing, Purchaser shall pay the Purchase Price in cash or by wire transfer of immediately available US funds to an account designated by Seller.

3. **Earnest Money.** No earnest money shall be required as part of this Agreement.

4. **Purchaser's Conditions.**

4.1 **Creation of Individual Legal Lots.** Prior to Closing, Seller shall complete all land use and survey work necessary to modify and create six legal lots that comprise the Premises, in a configuration reasonably acceptable to Purchaser (each a "Lot"). Purchaser shall be entitled to close on each Lot as land use work and legal lot creation is complete.

4.2 **Seller Documents.** Within five (5) days after the Effective Date, Seller will provide to Purchaser all documents in Seller's possession related to the Premises, including surveys, environmental reports, inspections, and any other type of document.

4.3 **Due Diligence.** Purchaser shall have twenty-one (21) days from the Effective Date (the "Due Diligence Deadline") to conduct any evaluation or testing of the Premises that Purchaser deems necessary. If Purchaser is

unsatisfied with any such due diligence matters, Purchaser may terminate this Agreement with respect to all Lots or any Lot by providing written notice to Seller on or before the Due Diligence Deadline. In such case, this Agreement shall terminate with respect to such Lot or Lots except for the terms of this Agreement that expressly survive termination.

5. **Seller's Conditions.** Purchaser agrees to develop the Premises as low-income senior housing or other development approved in writing by Seller at Seller's sole discretion ("Suitable Development"). Upon completion of the Suitable Development, which shall be determined by the issuance of a certificate of occupancy for each Lot, each Lot shall be continuously used and maintained as a Suitable Development for a period of not less than twenty (20) years. Should a Lot not be developed as a Suitable Development and continuously used and maintained in that use for the 20-year period, Seller reserves the right to reenter and retake that Lot at no cost to Seller.

5.1 As used in this section "continuously" means use of each Lot as a suitable development during the 20-year period. A period of vacancy on a Lot of 30-days or less within a calendar year, a temporary vacancy between tenancies for a commercially reasonable period of not more than 14 days, or interruptions of the use, such as to perform substantial maintenance or capital improvements necessitating a closure of all or a substantial portion of the development on a Lot, as approved in writing by Seller prior to the interruption, shall not be deemed a violation of this section.

5.2 Seller shall place the following restriction on the deed for each Individual Legal Lot allowing Seller a Right of Re-entry:

"This conveyance is made subject to the express condition that Seller reserves a Right to Reenter and retake the Property if Purchaser, its permitted successors or assigns, fails to commence construction of a suitable development of the property within two (2) years of Closing and substantially complete construction within four (4) years. A "suitable development" is as defined in the Real Estate Agreement between the parties, dated _____, 2021, a memorandum of which is recorded at Reel ____, Page ____, of the Marion County land records. This right of reentry is subject to the following limitations: If Purchaser, its permitted successors or assigns shall fail to commence construction within two (2) years of Closing, or shall fail to substantially complete construction within four (4) years of Closing, then Seller, upon not less than ninety (90) days written notice to Purchaser may reenter and terminate the estate conveyed ("Right of Reentry"). Seller agrees that such Right of Reentry shall not apply if Purchaser is unable to timely commence or substantially complete construction for reasons beyond Purchaser's reasonable control. In the

event Purchaser is unable to comply with this provision, for reasons beyond its control, the parties shall negotiate in good faith to a revised schedule for commencement of construction or substantial completion of construction as applicable. Purchaser agrees that should Seller exercise its Right of Reentry under the conditions stated herein, Purchaser will do all things reasonably necessary to reconvey the property to Seller. Seller agrees that upon Purchaser timely completing construction as provided herein, Seller shall execute a termination of this right of reentry, quitclaim deed or other appropriate documents, and record said documents, as necessary to terminate Seller's Right of Re-entry."

6. **Title Reports and Property Assessments.**

6.1 **Title Report.** Within three (3) days after the Effective Date, and again within three (3) days from the creation of any Lot Seller will order a preliminary title report from the Escrow Agent with respect to that Lot (the "Title Report"). The Title Reports will be accompanied by the most legible copies available of all special exceptions listed therein. Purchaser will have fifteen (15) days after its receipt of each Title Report and copies in which to notify Seller in writing of Purchaser's disapproval of any exceptions shown in that Title Report. Any special assessments shown on that Title Report that are objected to by Purchaser will be included in Purchaser's notice. In the event of any disapproval, Seller will notify Purchaser in writing within ten (00) business days after Purchaser's notification as to whether Seller agrees to remove any of the exceptions so disapproved, and upon delivering the notice, Seller will have until the date of Closing described in Section 12 to cause the exceptions that Seller has agreed to remove to be removed of record and from that Title Report. Purchaser will be deemed to have accepted all title exceptions to which it has not timely objected.

6.2 **Rescission of Agreement—Title Defects.** If Seller elects not to eliminate any title exception disapproved by Purchaser, Purchaser may elect to terminate this Agreement as to that Lot or all Lots remaining to be purchased by written notice to Seller given on or before fifteen (15) business days after Seller's notification of the election. If Purchaser does not elect to terminate this Agreement, Purchaser's objections to the disapproved exceptions that Seller elected not to eliminate are deemed waived and the Lot will be conveyed to the Purchaser with such defects without credit against the Purchase Price. The foregoing notwithstanding, Seller agrees that it will cause all trust deed liens or monetary encumbrances of record against the Premises that are not accepted by Purchaser to be released by the Closing date. If Purchaser fails to give

timely notice to Seller of termination under this paragraph, then Purchaser's right of termination will be deemed waived. Said title insurance policy shall be in the assessed value of each Lot on the records of the Marion County Tax Assessor. Seller shall bear the cost of the title insurance. Any extended title coverage shall be paid by Purchaser.

7. **Risk of Loss.** All risk of loss, injury, damage or condemnation of the Premises shall be transferred from Seller to Purchaser at the time of Closing. If a Lot is partially destroyed or partially condemned at any time prior to Closing and that portion of the Lot destroyed or condemned constitutes a material portion of the Lot for Purchaser's intended use, or if any Lot is totally destroyed or condemned, either party may terminate this Agreement without liability or obligation to the other party. All insurance proceeds and condemnation awards, received by or accruing to Seller by reason of such loss, injury, damage, or taking, shall be for the account of Seller, and the Purchase price shall not be reduced thereby unless agreed between the parties prior to Closing. If a Lot is partially destroyed or condemned and the loss or condemnation is immaterial, the transaction shall be closed without reduction or adjustment in the Purchase Price, and the proceeds of all insurance and all condemnation proceeds shall accrue to Purchaser.

8. **Taxes and Assessments: Closing Costs.** Real estate and personal property taxes, if any and all utilities shall be prorated between the parties as of the date of Closing. Seller shall pay one-half of any closing fees, including escrow fees. Recording Fees, transfer taxes and assessments, deed stamps and one-half of any closing fees, including escrow fees, shall be paid by Purchaser. Each party shall pay its own attorney fees and other expenses incurred.

9. **Title Documents.**

9.1 **Deed.** Seller agrees to execute and deliver to Purchaser a statutory bargain and sale deed conveying title to each Lot, subject to the accepted title exceptions of record.

10. **Possession.** Purchaser shall be entitled to possession of each Lot at such Lot's respective Closings.

11. **Seller's Representations and Warranties.** Seller makes the following representations and warranties which are true on the date hereof and shall be true on the dates of Closing as if made on such date:

11.1 **Power and Authority.** The Seller has the requisite right, power and authority to enter into and carry out the terms of this Agreement and the execution and delivery hereof and of all other instruments referred to herein.

The Seller has taken all action necessary to authorize the execution, delivery and performance of this Agreement. The performance by the Seller of its obligations hereunder will not violate or constitute a default under the terms and provisions of any agreement, document or instrument to which the Seller is a party or by which it is bound or affected. All proceedings required to be taken by or on behalf of the Seller to authorize it to make, deliver and carry out the terms of this Agreement have been duly and properly taken.

11.2 **No Claims**. Seller is unaware of any pending or threatened litigation or administrative action with respect to the Premises.

11.3 No Violations. Seller has not received any written notice from any governmental authority alleging that the Improvements violate any building codes, building or use restrictions, or zoning ordinances, rules, or regulations.

11.4 **No Contamination**. To Seller's knowledge, the Premises are free of any hazardous material and has not been used to generate, store, or dispose of hazardous materials in violation of any applicable law prior to or during which the Seller has owned the Premises. For purposes of this section, "hazardous material" means all petroleum-based products, radon, asbestos, PCBs, and all substances, wastes, and materials that are so defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, and the Hazardous Materials Transportation Act.

12. **Closing**. The term "Closing" as used in this Agreement means the payments by the Purchaser to Seller of that portion of the Purchase Price due at the Closing of each of the Individual Legal Lots and the delivery by Seller to Purchaser of the warranty deed(s) and title insurance policy. Unless otherwise agreed by the parties, or the Agreement is terminated pursuant to Sections 4 or 6, each Closing shall take place at the earliest possible dates, but no later than sixty (60) days from the creation of that Lot. Each transaction shall be closed through an escrow that is to be held by Amerititle. Each party shall execute and deliver on a timely basis all escrow instructions, deeds, declaration of restrictive covenants, and other documents reasonable and necessary to close each transaction.

13. **Statutory Warning (ORS 93.040(2))**. THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR

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

14. **Brokers.** Seller and Purchaser warrant to each other that neither Purchaser nor Seller is represented by a broker. Purchaser agrees that Seller is not subject to any commission fee or payment, and Purchaser will agree to indemnify and hold Seller harmless therefrom such fee or commission as a part of this Agreement and transaction.

15. **Default.** In the event that either party fails to close this transaction when and as required hereby, the other party's sole remedy is to terminate this Agreement, in which case this Agreement shall be null and void.

16. **Assignment.**

16.1 Except as provided in Section 16.2, neither this Agreement nor any rights arising under it may be assigned or mortgaged by Purchaser without the prior written consent of Seller, and any attempt to transfer this Agreement or any rights or interests arising hereunder, by operation of law or otherwise, without such consent shall be void and of no force and effect.

16.2 Purchaser may assign this Agreement and its rights and interests arising hereunder to any of Purchaser's wholly owned subsidiaries.

16.3 The rights and obligations arising under this Agreement shall run with the land, and shall be binding on the parties' successors and assigns.

In the event Seller sells, conveys, or otherwise transfers fee title to the Premises, or interest therein, to a third party, Seller shall assign its rights and obligations arising under this Agreement to that party contemporaneously with that sale, conveyance, or transfer.

17. **Modification.** No part of this Agreement may be modified without the express written consent of both parties.

18. **Notices.** Any notice or demand required or permitted to be given under the terms of this Agreement shall be deemed duly given or made if given by any of the following methods:

a. Deposited in the US mail in a sealed envelop, postage prepaid, by registered or certified mail, return receipt requested, respectfully addressed as follows:

To Purchaser: United Way of the Mid-Willamette Valley, Inc.
Attn: Rhonda Wolf
455 Bliler Avenue NE
Salem, OR 97301
503-580-1840
rwolf@unitedwaymwv.org

To Seller: City of Salem
Attn: Real Property Services Manager
350 Commercial St. NE
Salem, OR 97301
503.540.2404

With a Copy to: City of Salem, City Attorney's Office
555 Liberty St, SE Rm. 205
Salem, OR 97301
503-588-6003

b. Sent to the above addresses via an established national overnight delivery service (such as Federal express), charges prepaid, or

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

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

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

21. **Recording.** Neither this Agreement nor any copy hereof shall be recorded without the express written consent of Seller.

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

UNITED WAY OF THE MID-WILLAMETTE VALLEY, INC.

By _____ Date _____
Rhonda Wolf, CEO

CITY OF SALEM

By _____ Date _____
Steven D. Powers, City Manager

EXHIBIT A

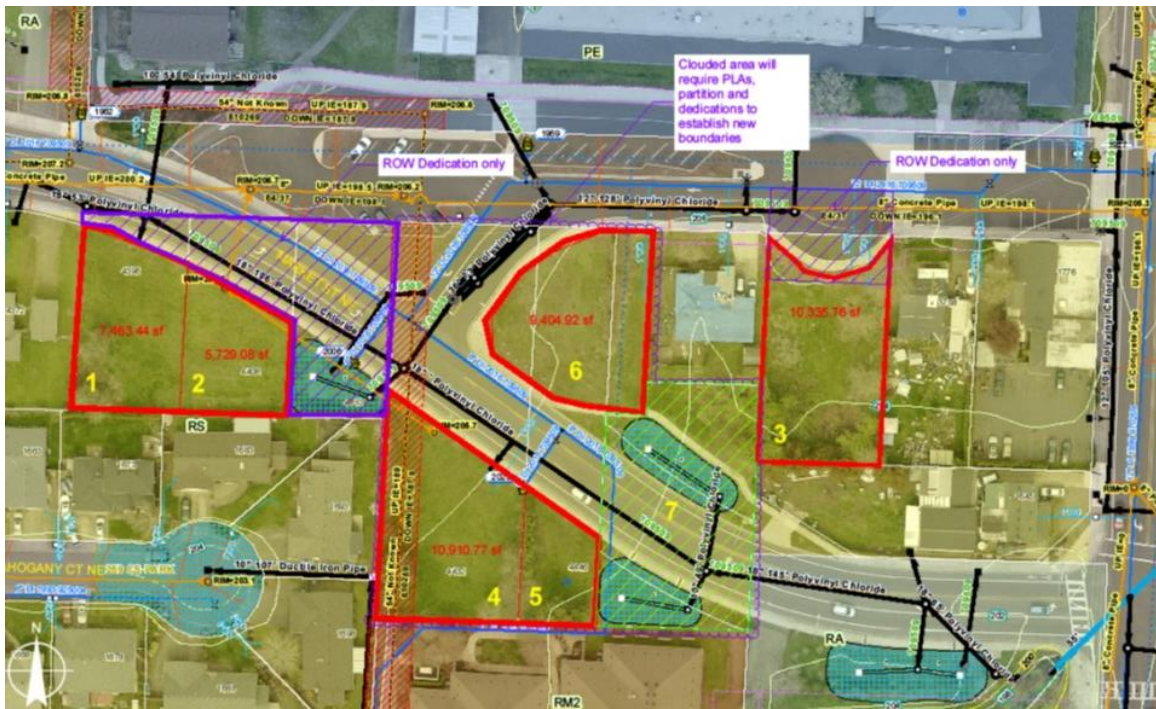


EXHIBIT B

TBD