

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the “*Agreement*”) is entered into by and between SOUTHAIR HOUSING LIMITED PARTNERSHIP, an Oregon limited partnership (the “*Seller*”), and YAQUINA SOUTHAIR HOUSING LIMITED PARTNERSHIP, an Oregon limited partnership (the “*Purchaser*”) as of the 12th day of August, 2021 (the “*Effective Date*”).

NOW, THEREFORE, Seller and Purchaser agree as follows:

I. PURCHASE AND SALE

1 Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase, the following property and assets:

(a) That certain real property legally described in **Exhibit A**, together with all rights, easements and appurtenances pertaining to such real property, including but not limited to water rights, mineral rights, development rights, contract rights and permits relating to the property (all of such real property, rights and appurtenances herein referred to as the “*Real Property*”);

(b) All buildings, easements, rights, privileges, and improvements belonging or appurtenant to the Real Property (collectively the “*Improvements*”); and

(c) All right, title and interest of Seller to any and all personal property located on and used in connection with the Real Property.

All of the foregoing items to be purchased under this Agreement shall be herein collectively referred to as the “*Property*”.

Purchaser and Seller hereby authorize escrow agent to insert over their signatures the correct legal description of the Property, or to correct the legal description previously entered if erroneous or incomplete. The parties expressly waive any right to assert or claim that this Agreement is void or voidable for failure to initially set forth in it the full legal description of the real property to which it pertains. The parties agree that the title company’s attachment of an exhibit to this Agreement, setting forth the complete legal description of the Property is authorized and directed by Seller and Purchaser, and shall for all legal purposes relate back to the Effective Date.

II. PURCHASE PRICE AND ALLOCATIONS

2.1 Purchase Price. The total purchase price for the Property (the “*Purchase Price*”) shall be TWO MILLION TWENTY THOUSAND and 00/100 Dollars (\$2,020,000), which Purchase Price shall be increased by the amount of any reserves, if any, transferred to the Purchaser at Closing (as defined below).

2.2 Payment of Purchase Price. At Closing (as defined below), Purchaser shall pay to Seller the Purchase Price as follows: Cash in the amount of debt on the Property, less the amount of debt on the Property the Purchaser assumes, and the remainder of the Purchase Price shall be payable to Seller and/or its assigns in the form of a Note secured by a Trust Deed.

III. RESERVED

IV. SELLER'S OBLIGATIONS

4. Seller's Obligations. At all times from the date of this Agreement to the Closing, Seller will:

(a) Maintain, use and operate the Property in compliance with applicable laws, regulations, and ordinances with respect to the ownership, use and occupancy of the Property; and

(b) Pay for any materials, supplies or work provided or ordered for the Property prior to the Closing and for which a labor, materialman's or mechanic's lien may be claimed under applicable law and, if required by the Title Company, provide the Title Company with such indemnifications or security as it may require to insure title to the Property at the Closing without exception for any unrecorded labor, materialman's, or mechanic's claim of lien.

V. REPRESENTATIONS AND WARRANTIES

5.1 Seller's Representations and Warranties.

For the purposes of inducing Purchaser to consummate the transactions contemplated hereby, Seller represents and warrants to Purchaser, as of the date hereof and, except as otherwise set forth herein, as of the Closing Date, in addition to the warranties in the deed delivered to Purchaser, as follows:

5.1.1 Seller has full power, authority and legal right to execute, deliver and perform this Agreement, and all other documents and certificates contemplated hereby; the Seller has duly authorized the execution, delivery, and performance thereof; and has authorized the person executing this Agreement to do so;

5.1.2 In connection with the consummation of the transactions contemplated by this Agreement, the Seller has not entered into and does not expect to enter into any understanding or agreement that relates to the use, sale, or other disposition of the Property other than those specifically contemplated in this Agreement;

5.1.3 This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms;

5.1.4 Seller has not, as of the date of closing, received any notice of any pending litigation, bankruptcy or other proceeding affecting the Property.

5.2 Purchaser's Representations and Warranties

For the purposes of inducing Seller to consummate the transactions contemplated hereby Purchaser represents and warrants to Seller, as of the date hereof and, except as otherwise set forth herein, as of the Closing Date, as follows:

5.2.1 Purchaser has full power, authority, and legal right to execute, deliver and perform this Agreement, and all other documents and certificates contemplated hereby; the Purchaser has duly authorized the execution, delivery, and performance thereof; and has authorized the person executing this Agreement to do so;

5.2.2 This Agreement constitutes the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms; and

5.2.3 There are no actions, suits, proceedings, orders, or investigations pending or, to the best of Purchaser's knowledge, threatened against or affecting Purchaser which might adversely affect Purchaser's performance under this Agreement, or the consummation of the transactions contemplated hereby.

5.3 Survival of Warranties.

The warranties in this Section 5 shall survive the Closing and shall be fully effective thereafter. If Seller breaches any warranty, Purchaser shall have the rights and may exercise, at its option, any of the remedies, provided under paragraph 7.1 of this Agreement. If Purchaser breaches any representation, warranty, or covenant, Seller shall have the rights and may exercise, at its option, any of the remedies, provided under paragraph 7.2 of this Agreement.

VI. CLOSING

6.1 Closing Date.

"Closing" means the delivery and recording of the Deed (as defined herein) from Seller to Purchaser. The Closing shall be held on or before December 31, 2021, or at such later date as may be agreed to by the parties (the ***"Closing Date"***). Each party hereto agrees to execute and deliver to the Title Company such closing escrow instructions as may be necessary to implement and coordinate the Closing as set forth in this Agreement.

6.2 Seller's Closing Obligations.

At the Closing, Seller will execute and deliver to the escrow agent:

6.2.1 a bargain and sale deed to the Property and such other agreements, documents and instruments as may be necessary to transfer, convey and assign the Property to Purchaser;

6.2.2 such instruments as may be required to fully consummate the transaction contemplated hereby.

6.3 Purchaser's Closing Obligations.

At the Closing, Purchaser shall execute and deliver to the escrow agent such other instruments or documents as may be required pursuant to the terms hereof or mutually agreed by counsel for Seller and Purchaser to be necessary to fully consummate the transaction contemplated hereby.

6.4 Allocation of Closing Expenses.

6.4.1 The Purchaser shall pay all costs of closing; all escrow fees of the Title Company; and the cost of recording the Deed and any other documents that Purchaser may choose to record.

6.4.2 The following items, if applicable, shall be prorated between Seller and Purchaser at the Closing, as of the Closing Date: property taxes and assessments for the then-current tax year, if any.

6.5 Right to Possession.

At the Closing and as a condition thereto, Purchaser shall have full and unrestricted right to possession of the Property.

6.6 Risk of Loss.

Risk of loss or damage to the Property by condemnation, eminent domain, or similar proceedings (or deed in lieu thereof), from the date hereof through the time of the recording of the Deed referenced in Paragraph 6.1 will be on Seller and thereafter will be on Purchaser. In the event of loss or damage to the Property by condemnation, eminent domain, or similar proceedings, from the date of this Agreement but prior to closing, Seller shall immediately notify Purchaser in writing of such loss. Within TWENTY (20) DAYS of receiving such notice from Seller, Purchaser shall provide written notice to Seller of Purchaser's decision in its sole discretion, to proceed with purchase of the Property, or to terminate this Agreement, in which case the rights and obligations of the parties shall terminate. In the event Purchaser fails to provide such notice to Seller, this Agreement shall be deemed null and void, and all further rights and obligation of the parties hereunder shall terminate.

VII. TERMINATION AND REMEDIES

7.1 Seller's Defaults.

7.1.1 Seller's Defaults. Seller shall be deemed to be in default hereunder in the event Seller fails, for a reason other than Purchaser's default hereunder, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Agreement, or there shall have occurred a breach of any representation or warranty made by Seller.

7.1.2 Purchaser's Remedies. In the event of default by Seller, Purchaser may pursue any remedy available at law or equity and, in addition thereto, may elect to either terminate this agreement, or may pursue one or more of the following:

- (a) Enforcing specific performance of this Agreement; or
- (b) Bringing suit for damages.

7.2 Purchaser's Defaults.

7.2.1 Purchaser's Defaults. Purchaser shall be in default hereunder in the event Purchaser fails, for a reason other than Seller's default hereunder, to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Agreement, or there shall have occurred a breach of any representation or warranty made by Purchaser.

7.2.2 Seller's Remedies. In the event of default by Purchaser, Seller may pursue any remedy available at law or equity, including:

- (a) Enforcing specific performance of this Agreement; or
- (b) Bringing suit for damages.

7.3 Attorneys' Fees.

Should either party bring an action to enforce or interpret any of the provisions of this Agreement, or to recover damages for the breach hereof, the prevailing party will be entitled to receive, in addition to any other relief granted, all reasonable attorneys fees and costs expended in connection therewith.

VIII. MISCELLANEOUS

8.2 Entire Agreement; Modification.

This Agreement sets forth the entire understanding between the parties with respect to the transactions contemplated herein and supersedes all prior or contemporaneous agreements, oral or written. Neither this Agreement nor any provision hereof may be waived or amended except by an instrument in writing signed by both parties.

8.3 Time of Essence.

Time is of the essence of this Agreement.

8.4 Survival of Terms.

The terms and provisions hereof shall survive the Closing and shall remain in full force and effect thereafter.

8.5 Notices.

All notices to either party must be in writing and either (i) delivered in person, (ii) by United States certified mail, postage prepaid, (iii) by courier service, postage prepaid.

If to Purchaser:

Yaquina Southfair Housing Limited Partnership

c/o Housing Authority of the City of
Salem, Oregon
360 Church St. SE
Salem, OR 97301
Attention: Executive Director

If to Seller:

Southfair Housing Limited Partnership

360 Church St. SE
Salem, OR 97301
Attention: Executive Director

All notices shall be deemed given on the date such notice is delivered (or if refused, the date of such refusal) or transmitted by telephone facsimile or on the third business day following the date such notice is mailed in accordance with this section, whichever is applicable.

8.6 Interpretation.

Words of any gender used in this Agreement shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

8.7 Captions.

The captions used in this Agreement are for convenience only and shall not be deemed to construe or to limit the meaning of the language of this Agreement.

8.8 Binding Effect.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

8.9 Severability.

If one or more of the provisions of this Agreement or any application thereof shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application thereof shall in no way be affected or impaired.

8.10 Execution Date.

All references in this Agreement to the “*Execution Date*”, the “*date hereof*”, “*the date the Agreement was executed*”, or other phrases of similar import shall be deemed to refer to the date upon which the last of the parties hereto has executed this Agreement.

8.11 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Venue of any action hereunder shall be in Multnomah County, Oregon.

8.12 Exhibits.

The following exhibits are incorporated into and made a part of this Agreement as if set forth fully herein:

Exhibit A Legal Description of Real Property

8.13 Voluntary Purchase Offer with Federal Funds.

Purchaser may utilize federal funds with respect to the acquisition and redevelopment of the Property. Because federal funds may be so used, Purchaser discloses to Seller as follows:

(a) This sale is voluntary. If Seller does not wish to sell, Purchaser does not have the power to acquire the Property by condemnation or eminent domain.

(b) Purchaser estimates the fair market value of the Property to be the purchase price set forth herein.

8.14 Mandatory Statement under Oregon Revised Statutes 93.040.

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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, 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, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

IN WITNESS WHEREOF, this Agreement has been executed by each of the parties as of the date first written above.

PURCHASER:

YAQUINA SOUTHFAIR HOUSING LIMITED PARTNERSHIP,
an Oregon limited partnership

By: Housing Authority of the City of Salem, Oregon,
a public body corporate and politic of the State of Oregon
Its: General Partner

By: _____
Name: _____
Title: _____

SELLER:

SOUTHFAIR HOUSING LIMITED PARTNERSHIP,
an Oregon limited partnership

By: Housing Authority of the City of Salem, Oregon,
a public body corporate and politic of the State of Oregon
Its: General Partner

By: _____
Name: _____
Title: _____

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY