

After recording, return to:
Sherman, Sherman, Johnnie & Hoyt, LLP
P.O. Box 2247
Salem, OR 97308

Until a change is requested,
All Tax Statements will be sent to:

Covey Rowhouses, LLC
Attn: Sam Lapray
P.O. Box 3432
Salem, OR 97302

CONTRACT OF SALE

This Contract of Sale (this "Contract") is made as of March 18, 2022, between Ward Development, LLC, an Oregon limited liability company ("Seller") whose address is 6998 Chakarun Lane, SE, Salem, OR 97306 and Covey Rowhouses, LLC, an Oregon limited liability company ("Purchaser") whose address is P.O. Box 3432, Salem, OR 97302.

Seller owns the real property located in Marion County, Oregon, and described as Lots 1, 2, and 3 of Linburg Green Subdivision, totaling approximately 4.46 acres in the City of Salem (the "Property").

Seller agrees to sell the Property to Purchaser and Purchaser agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

Article 1 PURCHASE PRICE AND PAYMENT

1.1 Total Purchase Price. Purchaser promises to pay Seller as the total purchase price for the Property the sum of \$2,950,000.00 (US), which is the true and actual consideration for the conveyance.

1.2 Payment of Total Purchase Price. The total purchase price will be paid as follows:

1.2.1 Down Payment. Purchaser has already paid \$100,000.00 toward the purchase price. On or before the Closing Date, as defined in section 3.1, Purchaser will pay the sum of \$700,000.00 in immediately available funds as an additional down payment on the purchase price, to be applied to the purchase price at closing to the extent that Seller has actually received that sum in cash.

1.2.2 Interest Rate and Maturity Date. Interest on the remaining balance of \$2,150,000.00 will accrue at the rate of One percent (1%) per annum from the September 1, 2022

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until paid. The unpaid balance of the purchase price will be paid in full within 30 days following the recording of the plat for Strong Heights Subdivision issuance of an acceptance letter by the City of Salem for the Improvements Seller is constructing for Strong Heights Subdivision, whichever occurs last ("Maturity Date"). The Plat will be substantially the same as show in Exhibit B. Seller is obligated to complete the Subdivision Improvements required for issuance of an acceptance letter from the City of Salem within a reasonable time period. The Completion of the Improvements and issuance of an acceptance letter from the City of Salem is expected by the fall of 2022. Purchaser has an obligation to pursue the recording of the plat for Strong Heights Subdivision within a reasonable time period.

1.2.3 Default Rate of Interest. In the event any amount due under this Contract (including all amounts due on acceleration or majority) is not paid when due, the entire unpaid principal balance of this Contract, together with all accrued interest and all other sums owing to Seller, will bear interest from the date of default at a rate ("Default Rate") ten percent per annum above what would otherwise be the rate of interest payable under this Contract. Such Default Rate will continue for as long as all amounts then due remain unpaid and any other default remains uncured. All interest accruing at the Default Rate will be deemed continuously due and payable and will be paid in full before the Default Rate will revert to the Contract Rate. Seller may levy and collect interest at the Default Rate in addition to all other remedies allowed under this Contract. Collection of interest at the Default Rate will not waive the breach caused by the late payment or other default.

1.3 Prepayments. Purchaser may prepay all or any portion of the unpaid principal without penalty. All prepayments will be applied first to accrued but unpaid interest to date, then to amounts due Seller under this Contract other than principal or interest, then to the last installment of principal scheduled under this Contract and will not excuse Purchaser from making the regular annual payments when due under this Contract until the remaining balance has been paid in full. This paragraph does not apply to any payments due under this Contract that are accelerated because of Purchaser's default under any of the provisions of this Contract.

1.4 Payments to Third Parties. If Purchaser fails to pay when due any amounts required under this Contract to be paid to third parties by Purchaser, Seller may, but will not be obligated to, pay any or all such amounts directly to such third parties or otherwise to cure any such failure. If Seller makes any such payments, the amounts so paid will be immediately due and payable by Purchaser to Seller. Until paid, such amounts will be secured by this Contract and will bear interest at the rate of Eighteen percent (18%) per annum. Seller's election to make any payments pursuant to this section 1.4 will not constitute a waiver of Seller's right to declare Purchaser to be in default of this Contract and to exercise any remedies described in section 14.2. In the event of any such payment by Seller, Seller will also be subrogated to the rights of the third party to whom the payment is made.

1.5 Development District Funds. When the City of Salem provides Purchaser with a discount on costs associated with Buyer's construction plan check or permit fees, including Development District Funds ("DDF") relating to Purchaser's construction on the Property (which does not include in infrastructure work noted in Article 4 below), and the discount is the result of the Seller's previous payment of construction plan check fees, permit fees or fees

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associated with the construction of Reed Road, Purchase shall immediately pay Seller any discount more than \$350,000.00. If Purchaser's credit is less than \$350,000.00. Seller will immediately pay Purchaser the difference. By way of example, if the Purchaser receives a credit of \$400,000.00, then the Purchase must pay Seller \$50,000.00; if the Purchaser receives a credit of \$300,000.00, then the Seller must pay Purchaser \$50,000.00. This provision shall survive satisfaction of amounts owing under this Contract.

WARNING

Unless Purchaser provides Seller with evidence of the insurance coverage as required by this Contract, Seller may purchase insurance at Purchaser's expense to protect Seller's interest. This insurance may, but need not, also protect Purchaser's interest. If the collateral becomes damaged, the coverage Seller purchases may not pay any claim Purchaser makes or any claim made against Purchaser. Purchaser may later cancel this coverage by providing evidence that it has obtained property coverage elsewhere.

Purchaser is responsible for the cost of any insurance purchased by Seller. The cost of this insurance may be added to balance owing under this Contract. If the cost is added to the balance owing under this Contract, the interest rate on the underlying Contract will apply to this added amount. The effective date of coverage may be the date Purchaser's prior coverage lapsed or the date Purchaser fails to provide proof of coverage.

The coverage Seller purchases may be considerably more expensive than insurance Purchaser can obtain on its own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

1.5 Place of Payments. All payments to Seller must be made to 6998 Chakarun Lane, Salem, OR 97306, or to another place or to a person that Seller may designate by written notice to Purchaser.

Article 2 TAXES AND LIENS

2.1 Obligation to Pay. Seller has paid all ad valorem real and personal property taxes and all governmental or other assessments levied against the Property for the 2021-2022 tax year and will not receive any prorate for the 2021-2022 tax year. Purchaser will pay all ad valorem real and personal property taxes and all governmental or other assessments levied against the Property due in connection with recording the Plat and due after the Plat is recorded. Purchaser must pay when due all taxes and assessments that are levied against the Property after the Plat is recorded, but Purchaser may elect to pay taxes and assessments in accordance with any available installment method.

2.2 Right to Contest. If Purchaser objects in good faith to the validity or amount of any tax, assessment, or lien, Purchaser, at Purchaser's sole expense, may contest the validity or amount of the tax or assessment or lien as long as Seller's security interest in the Property is not jeopardized and as long as the same does not constitute a default under the Prior Lien. Purchaser

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must otherwise keep the Property free from all liens that may be imposed on the Property after the Closing Date, other than the lien of current taxes not yet due.

2.3 Intentionally Left Blank.

2.4 Tax Statements. Purchaser will provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid when due. Purchaser will submit this evidence after each required payment of taxes and assessments.

**Article 3
CLOSING**

3.1 Closing Date. This transaction must be closed on March 22, 2022. As used in this Contract, the *Closing Date* means the date on which this Contract or a memorandum of this Contract is recorded. The closing will occur in escrow at the offices of First American Title Insurance in West Salem, Oregon (Janet Kudna).

3.2 Responsibility of Parties. At closing, Purchaser must pay the amount of cash specified in section 1.2.1 above, and Seller must have received a commitment for the issuance of a purchaser's policy of title insurance as described in Article 9.

3.3 Prorates and Closing Costs. Except as otherwise provided in this Contract, all items to be prorated will be prorated as of the Closing Date. Seller is responsible for paying the title insurance premium, any real estate commission and one-half of the escrow fee. Purchaser is responsible for paying the recording fees for recording this Contract or a memorandum of it, and one-half of the escrow fee. Purchaser will be responsible for paying at closing any transfer, excise, or sales tax assessed on the sale contemplated by this Contract.

**Article 4
POSSESSION AND CONSTRUCTION OF INFRASTRUCTURE**

Purchaser will be entitled to possession of the Property from and after the Closing Date; however, Seller and Seller's agents may enter on the Property at reasonable times on reasonable prior written notice to Purchaser for the purpose of inspecting the Property and completing work necessary for all infrastructure required by the City of Salem in relation to acceptance of the Strong Heights Subdivision.

Pursuant to the Sale Agreement dated June 23, 2021, executed between Seller and Purchaser, Seller is obligated to take all action necessary to record a plat for Strong Heights Subdivision as substantially shown in Exhibit B, including but not limited to constructing the infrastructure acceptable to the City of Salem. Those obligations contained in the Sale Agreement shall survive the Closing.

Purchaser is obligated to sign the Plat within 10 days of approval from City of Salem. Failure to sign the Plat within the time required herein is an event of default.

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Article 5
MAINTENANCE AND ALTERATIONS

5.1 Maintenance. Purchaser will keep improvements now existing or that will be placed on the Property in good condition and repair and will not permit any waste or removal of the improvements, nor make any substantial improvements or alterations without the prior written consent of Seller.

5.1.1 Improvements. If Purchaser desires to alter or improve all or any portion of the Property prior to the Maturity Date, Purchaser must first submit complete final plans, specifications, site plans, drawings, schedules, and cost estimates for the proposed alteration or improvement and obtain Seller's written consent before proceeding to do or permit any work or to order any services or materials with respect to that work. As a condition of granting its consent, among other conditions, Seller may require Purchaser to provide a construction and completion bond or other security in an amount and of a nature satisfactory to Seller to cover the proposed costs of construction of the proposed alterations or improvements. All alterations and improvements constructed by or for Purchaser must be completed lien-free by reputable Oregon licensed contractors without defects in conformance, with plans, specifications, and drawings approved beforehand in writing by Seller as provided above, and in conformance with standards in the industry and any applicable covenants, conditions, and restrictions encumbering the Property. No approval by Seller will be deemed a representation or warranty of Seller that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Purchaser from strict compliance with all other provisions of this Contract and all applicable laws.

5.1.2 Prohibited Activities. Purchaser will not use or suffer the use of all or any of the Property for any "nuisance" as defined in ORS 105.555, or so as to constitute an *illegal drug manufacturing site* as that term is defined in ORS 453.858(2), as those statutes may now or hereafter be amended, supplemented, or superseded, or otherwise do or allow any act or omission on or about the Property that could subject the Property or Seller's or Purchaser's interest in the Property to forfeiture or the risk of forfeiture.

5.1.3 Governmental Damage. If any damage or destruction of the Property or any portion of it is caused by any governmental or quasi- governmental authority, and to the extent that the same is not a compensable taking under the state or federal constitution, or directly caused by the act or omission of Seller, Purchaser will promptly repair and restore the same at its expense.

5.1.4 Timber and Minerals. Purchaser will not cut or remove any timber or forest products from the Property. Purchaser will not extract, process, mine, or otherwise exploit any oil, gas, mineral, or other valuable deposit on or under the Property.

5.1.5 Hazardous Substances. Purchaser will comply fully with all laws pertaining to the protection of human health and the environment, including but not limited to employee and community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of Hazardous Substances (as defined in section 8.5 below). Purchaser will promptly advise Seller in advance and require Seller's consent

in writing of any Hazardous Substances regulated by such laws that are used, generated, manufactured, stored, transported, or otherwise handled on the Property. Purchaser will exercise extreme care in handling any Hazardous Substances and will not cause or permit Hazardous Substances to be spilled, leaked, disposed of, or otherwise released on the Property.

Article 6 INSURANCE

During the term of this Contract, Purchaser will maintain commercial general liability insurance with limits of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the general aggregate. This commercial general liability insurance must be endorsed to provide primary coverage and not requiring contribution by any insurance maintained by Seller. It is the intent of the parties to this Contract that insurance held by Seller, if any, with respect to any such insured risks will be excess over the insurance required to be obtained by Purchaser by this Contract. The insurance required above must cover all risks arising directly or indirectly out of Purchaser's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence and will provide contractual liability insurance applying to the indemnity obligations under section 7. Such policy will name Seller as an additional insured. Such policy must be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller. Purchaser will deliver to Seller a copy of such policy and certificates of coverage from each insurer containing a stipulation that coverage will not be canceled without a minimum of 30 days' written notice to Seller. This insurance is separate and apart from insurance provided by the Seller's contractor, who is working on the infrastructure relating to the Plat.

Article 7 INDEMNIFICATION

7.1 Purchaser's Indemnification of Seller. Purchaser will forever indemnify, reimburse, and hold Seller harmless and, at Seller's election, defend Seller for, from, and against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with (1) Purchaser's possession or use of the Property before and after closing, (2) Purchaser's conduct with respect to the Property, (3) any condition of the Property or third-party claims related to the Property so long as it is not caused or contributed to by Seller, or (4) Purchaser's breach of any warranty or representation made by Purchaser in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Purchaser agrees to defend Seller, Purchaser will, on notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller through legal counsel reasonably satisfactory to Seller.

7.2 Seller's Indemnification of Purchaser. Seller will forever indemnify, reimburse, and hold Purchaser harmless and, at Purchaser's election, defend Purchaser for, from, and against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with (1) Seller's possession or use of the Property, (2) Seller's conduct with respect to the

Property, or (3) Seller's breach of any warranty or representation made by Seller in this Contract. In the event of any litigation or proceeding brought against Purchaser and arising out of or in any way connected with any of the above events or claims, against which Seller agrees to defend Purchaser, Seller will, on notice from Purchaser, vigorously resist and defend such actions or proceedings in consultation with Purchaser through legal counsel reasonably satisfactory to Purchaser.

7.3 Indemnification Scope. Whenever this Contract obligates a party to indemnify, hold harmless, or defend the other party, the obligations will run to the family members, invitees, agents, and employees / directors, officers, agents, partners, and employees of such other party and will survive any termination or satisfaction of this Contract. Such obligations with respect to the acts or omissions of either party will include the acts or omissions of any director, officer, partner, agent, employee, contractor, tenant, invitee, or permittee of such party.

Article 8

REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER

Seller represents and warrants to Purchaser as follows:

8.1 Covenants of Title. Seller is the owner of fee title to the Property free of all liens and encumbrances except those referred to on attached Exhibit A and will defend such title from the lawful claims of persons claiming superior title.

8.2 Authority. Seller has obtained all requisite authorizations for the execution and delivery by Seller of this Contract and the performance of the transactions contemplated by this Contract, and the execution and delivery of this Contract are made pursuant to such authorizations.

8.3 No Brokers. Seller has not employed any broker or finder in connection with the transactions contemplated by this Contract and has taken no other action, which action would give rise to a valid claim against Purchaser for a brokerage commission, finder's fee, or other like payment.

8.4 Litigation. There are no pending claims or litigation or threats of claims or litigation or other matters of which Seller is aware or by the exercise of reasonable diligence of which Seller should be aware that could adversely affect Purchaser's title, use, or enjoyment of the Property.

8.5 Hazardous Substances. To Seller's actual knowledge, no Hazardous Substance has been disposed of, spilled, leaked, or otherwise released on, under, or from the Property or has otherwise come to be located on or under the Property. To Seller's actual knowledge, no Hazardous Substance has been disposed of, spilled, leaked, or otherwise released on, under, or from property adjacent to or in the immediate vicinity of the Property. To Seller's actual knowledge, no wastes, including without limitation garbage and refuse, have been disposed of on the Property and there are no underground storage tanks on the Property. The term *Hazardous Substance* means any hazardous, toxic, radioactive, or infectious substance, material, or waste as

defined, listed, or regulated under any law pertaining to the protection of human health or the environment, and includes without limitation petroleum oil and its fractions.

8.6 Compliance with Laws. Seller is not aware of and has not received notice of any past violation of any applicable federal, state, or local statutes, regulations, or ordinances.

8.7 Nonforeign Status. Seller warrants that Seller is not a *foreign person* as defined in IRC section 1445(f)(3) and that Seller is not a "transferor" subject to withholding under ORS 314.258 and OAR 150-314.258 (together, "ORFIRPTA") and that each such warranty will be true as of closing. Seller will deliver to Purchaser and the escrow agent at closing a Certificate of Nonforeign Status, in form complying with the requirements of IRC section 1445 and related regulations, setting forth Seller's address and United States taxpayer identification number and certifying that Seller is not a *foreign person* as defined in IRC section 1445(f)(3) ("FIRPTA Certificate"), and a certificate and other documentary evidence complying with ORFIRPTA, reasonably acceptable to Purchaser and the escrow agent (and any "authorized agent" involved in the transaction) and sufficient to assure Purchaser and the escrow agent (and any such authorized agent) that no withholding is required under ORFIRPTA ("ORFIRPTA Certificate").

8.8 Permits and Licenses. Seller holds no permits, authorizations, licenses, or other documents relating to or required for the operation of the Property, except to the extent necessary to construct subdivision infrastructure improvements required by the City of Salem to record the Plat. Seller will cooperate with Purchaser and Purchaser will cooperate with Seller, in obtaining any other permits, consents, authorizations, or licenses necessary for the recording of the Plat. Other than work necessary for the recording of the Plat, Seller has no obligations to obtain permits, authorizations, licenses, or other documents relating to or required for the operation or development of the Property.

8.9 No Further Contracts. There are no contracts, leases, or agreements relating to the Property, except as otherwise set forth in this Contract that will be binding on the Property or Purchaser after the Closing Date.

8.10 No Wetlands or Fill. As of the Closing Date, to the best of Seller's knowledge, the Property contains no wetlands or other water bodies or any fill currently subject to regulation under section 404 of the Clean Water Act (33 USC § 1344) or ORS 196.600 to 196.990 and will not be in violation of these laws or regulations. Seller further warrants that as of the Closing Date Seller has not received any notice, and does not have actual knowledge, of any pending or threatened claim, action, demand, suit, proceeding, hearing, or governmental study or investigation against or involving the Property and related in any way to the fill or removal of the material in or from any wetland located on the Property.

Article 9 TITLE INSURANCE (PURCHASER'S POLICY)

Seller will cause to be furnished to Purchaser at Seller's expense a purchaser's title insurance policy in the amount of the full purchase price within a reasonable time period after the Closing Date, insuring Purchaser against loss or damage sustained by Purchaser by reason of the

unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies, those created or suffered by Purchaser, and those referred to on attached Exhibit A.

Article 10 SUBORDINATION

10.1 Subordination. Seller does not agree to subordinate Seller's fee interest in the Property to the lien of a trust deed or mortgage (the "Mortgage") to be placed on the Property by Purchaser.

Article 11 CONDEMNATION

If all or any portion of the Property is condemned or otherwise taken for public use after the Closing Date, the proceeds of the condemnation award will be paid to Seller, and Seller will apply such proceeds in the following order: any costs or reimbursements due to Seller under the terms of this Contract and then to the unpaid balance of the Purchase Price. The remaining proceeds, if any, will be paid to Purchaser.

Article 12 DEED

On payment of the total purchase price for the Property as provided in this Contract and Purchaser's performance of all other terms, conditions, and provisions of this Contract, Seller will promptly deliver to Purchaser a good and sufficient statutory warranty deed conveying the Property free and clear of all liens and encumbrances created or suffered by Seller, except (those referred to in this Contract and referred to on attached Exhibit A) and all liens or encumbrances suffered by or placed on the Property by Purchaser.

Article 13 SECURITY AGREEMENT

Purchaser hereby grants Seller a security interest in any and all personal property included within the description of the Property or used in connection with the Property, and all rents, proceeds (including insurance proceeds), profits, replacement income, accounts, and related thereto. This instrument constitutes a security agreement within the meaning of the Uniform Commercial Code with respect to any personal property included within the description of the Property and all proceeds (including, without limitation, insurance and condemnation proceeds) therefrom and all replacements, accessions, and products thereof or thereto. On Seller's request, Purchaser will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that Secured Party may reasonably request, in order to perfect and continue Seller's security interest in the any and all Personal Property included within the description of the Property. Purchaser hereby authorizes Seller to file any financing statements with respect to any and all personal property included within the description of the Property as Seller deems necessary, at Purchaser's expense. Without

further authorization from Purchaser, Seller may at any time file copies of this Contract as financing statements. Purchaser will reimburse Seller for all expenses incurred in perfecting or continuing this security interest. On default under the terms of this Contract, Purchaser will, within three days of receipt of written demand from Seller, assemble the personal property and make it available to Seller. This instrument constitutes a financing statement filed as a fixture filing in the official records of the County Recorder of the county in which the Property is located with respect to any and all fixtures included within the defined term *Property* and with respect to any goods or other personal property that may now be or later become such fixtures. Purchaser's / Debtor's name, mailing address, type of organization and jurisdiction of organization are set forth on the first page of this instrument.

Article 14

DEFAULT

14.1 Events of Default. Time is of the essence of this Contract. A default will occur under any of the following circumstances:

- (1) Purchaser's failure to make any payment when due.
- (2) Purchaser's failure to perform any other obligations contained in this Contract within 5 days after notice from Seller specifying the nature of the default or, if the default cannot be cured within 5 days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure will be required if, during any 12-consecutive-month period, Seller has already sent a notice to Purchaser concerning default in the performance of the same Contract provision.
- (3) Either Purchaser's death, insolvency on a balance-sheet basis, or business failure; either Purchaser's commencement of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against either Purchaser in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by either Purchaser to the appointment of a receiver, trustee, or custodian of either Purchaser or of any of either Purchaser's property; either Purchaser's assignment for the benefit of creditors or either Purchaser's failure generally to pay its debts as they become due. To be clear, if one of the parties collectively referred to as Purchaser suffers an event of default under this subsection, that event of default will be considered the default of the other Purchaser as well.
- (4) Either Purchaser's making or suffering a fraudulent transfer or conveyance under applicable federal or state law; either Purchaser's concealment of any of its property from creditors; either Purchaser's making or suffering a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint on any of the property of Purchaser. To be clear, if one of the parties collectively referred to as Purchaser suffers an event of default under this subsection, that event of default will be considered the default of the other Purchaser as well.

(5) Purchaser's failure to perform any term, condition, or provision of or any default attributable to Purchaser under any existing encumbrance.

(6) If the Seller does not receive approval from the City of Salem for the Subdivision improvements or recorded the Plat by October 1, 2022, then Purchaser may complete work necessary to obtain approval from the City of Salem for the Subdivision improvements or to get the Plat recorded and then deduct the actual costs from the unpaid Purchase Price.

14.2 Remedies on Default. In the event of a default, Seller may take any one or more of the following steps:

(1) Seller may declare the entire balance of the purchase price and interest immediately due and payable.

(2) Seller may foreclose this Contract by suit in equity.

(3) Seller may specifically enforce the terms of this Contract by suit in equity.

(4) With respect to any part of the Property that constitutes personal property in which Seller has a security interest, Seller may exercise the rights and remedies of a secured party as provided by the Uniform Commercial Code.

(5) If Purchaser fails to make any payment within 15 days after it is due, Seller may elect to impose a late charge not to exceed five cents per dollar of the installment, in addition to and not in lieu of any and all other rights and remedies available to Seller. Seller's demand or acceptance of such a late charge will not cure or waive Purchaser's default.

(6) After complying with the notice requirements and affording Purchaser the right to cure the default contained in ORS 93.905 to 93.945, as the same may be amended or superseded from time to time, as long as the same is applicable, Seller may declare this Contract forfeited and retain the amount of the payments previously made under this Contract. On recordation of the affidavit required by Oregon law, this Contract will be extinguished and canceled, and Purchaser will have no further right, title, or interest in and to the Real Property or to any return or compensation for payments previously made under this Contract, as though this Contract and such payments had never been made. In that event, Purchaser agrees to surrender the Real Property to Seller. If Purchaser fails to do so, Seller may elect to treat Purchaser as a tenant holding over unlawfully after the expiration of a lease, and Purchaser may be ousted and removed as such, without affecting Seller's right to pursue other rights and remedies contained in this Contract or permitted by law.

(7) Seller will be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the balance due under this Contract, and any receiver appointed may serve without bond. Employment by Seller will not disqualify a person from serving as a receiver. On taking possession of all or any part of the Property, the receiver may:

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(a) Use, operate, manage, control, and conduct business on the Property and make necessary expenditures for all maintenance and improvements;

(b) Collect all rents, revenues, income, issues, and profits (the "Income") from the Property and apply those sums to the expenses of use, operation, and management;

(c) At Seller's option, complete any construction in progress on the Property and, in that connection, pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as Seller deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, such sums as the receiver deems necessary for the purposes stated in this paragraph, and repayment of those sums will be secured by this Contract. Amounts borrowed from or advanced by Seller will bear interest at the same rate as the balance of the Purchase Price under this Contract from the date of expenditure until repaid and must be paid by Purchaser on demand.

(8) Purchaser hereby assigns to Seller all the Income from the Property, whether now or hereafter due. Before default, Purchaser may operate and manage the Property and collect the Income from the Property. In the event of default and at any time thereafter, Seller may revoke Purchaser's right to collect the Income from the Property and may, either itself or through a receiver, collect the same.

To facilitate collection, Seller may notify any tenant or other user to make payments of rents or use fees directly to Seller. If the Income is collected by Seller, then Purchaser irrevocably designates Seller as Purchaser's attorney-in-fact with full power of substitution and coupled with an interest to endorse instruments received in payment thereof in the name of Purchaser and to negotiate the same and collect the proceeds. Payments by tenants or other users to Seller in response to Seller's demand will satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller will apply the Income first to the Seller's expenses of renting or collection and the balance (if any) to the payment of sums due from Purchaser to Seller under this Contract.

14.3 Remedies Not Exclusive. The remedies provided above are nonexclusive and in addition to any other remedies provided by law.

Article 15 WAIVER

The failure of either party at any time to require performance of any provision of this Contract will not limit the party's right to enforce the provision except to the extent expressly set forth in a writing signed by that party, nor will any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

Article 16
SUCCESSOR INTERESTS

This Contract is binding on and inures to the benefit of the parties, their successors, and assigns; but no interest of Purchaser may be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller (which consent may be withheld) and the consent of the holders of any superior encumbrances. Seller's consent to one transfer will not constitute consent to other transfers or waiver of this section. As a condition of such consent, Seller may elect to increase the interest rate under this Contract from the date of the transfer. Any increase in the interest rate under this Contract will entitle the Seller to increase monthly payments to the amount necessary to retire the obligation within the stipulated time provided for in this Contract. Any attempted assignment in violation of this provision will be void and of no effect with respect to Seller. Purchaser and any other person at any time obligated for the performance of the terms of this Contract hereby waive notice of and consent to any and all extensions and modifications of this Contract or the release of any person or persons from liability under the Contract granted by Seller. Any such extensions or modifications or releases will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract.

Article 17
PRIOR AGREEMENTS

This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property and supersedes and replaces all prior or existing written and oral agreements (including any earnest-money agreement) between the parties or their representatives relating to the Property.

Article 18
NOTICE

Any notice under this Contract must be in writing and will be effective when actually delivered in person or 3 days after being deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

Article 19
APPLICABLE LAW

This Contract will be governed by, and construed in accordance with, the laws of the state of Oregon.

Article 20
COSTS AND ATTORNEY FEES

20.1 No Suit or Action Filed. If either party to this Contract seeks legal counsel because of a default in the payment or performance of any of its terms, the defaulting party must

pay, immediately on demand, the other party's reasonable attorney fees, collection costs, costs of either a litigation or a foreclosure report (whichever is appropriate), even though no suit or action is filed thereon, and any other fees or expenses incurred by the nondefaulting party.

20.2 Arbitration or Mediation; Trial and Appeal. If any arbitration, mediation, or other proceeding is brought in lieu of litigation, or if suit or action is instituted to enforce or interpret any of the terms of this Contract, or if suit or action is instituted in a bankruptcy court for a United States District Court to enforce or interpret any of the terms of this Contract, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert Seller's interest in a bankruptcy proceeding, the party not prevailing must pay the prevailing party's costs and disbursements, the fees and expenses of expert witnesses in determining reasonable attorney fees under ORCP 68, the actual cost of a litigation or foreclosure report, and any sums that the court may determine to be reasonable for the prevailing party's attorney fees connected with the trial and any appeal and by petition for review thereof.

20.3 Definitions. For purposes of this Contract, the term *attorney fees* includes all charges of the prevailing party's lawyers and their staff (including without limitation legal assistants, paralegals, word processing, and other support personnel) and any postpetition fees in a bankruptcy court. For purposes of this Contract, the term *fees and expenses* includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail, or parcel delivery; mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees, and all costs of transcription; costs incurred in searching records; and the cost of title reports or surveyor's reports.

Article 21 NUMBER, GENDER, AND CAPTIONS

As used in this Contract, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine, and neuter, as the context requires. All captions used in this Contract are intended solely for convenience of reference and in no way limit any of the provisions of this Contract.

Article 22 SURVIVAL OF COVENANTS

Any covenant the full performance of which is not required before the closing or final payment of the purchase price and delivery of the deed will survive the closing and the final payment of the purchase price and the delivery of the deed and be fully enforceable thereafter in accordance with their terms.

Article 23 CONDITION OF PROPERTY

Purchaser accepts the land, buildings, improvements, any personal property sold under this Contract, and all other aspects of the Property in their present condition, AS IS, WHERE IS,

including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except for such warranties that may arise by law under the Deed and except as otherwise specifically set forth in this Contract. Purchaser agrees that Purchaser has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property, its suitability for Purchaser's purposes, and the applicable zoning, building, housing, and other regulatory ordinances and laws affecting the Property. Purchaser accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property. Notwithstanding such warranties that may arise by law under the Deed and regardless of any warranties made in this Contract, Seller has made no representations with respect to such condition or suitability of the Property or such laws or ordinances.

Article 24 STATUTORY DISCLAIMER

The following disclaimer is made pursuant to 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, ORS 195.301 AND ORS 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 ORS 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, ORS 195.301 AND ORS 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.

The following disclaimer is made pursuant to ORS 93.040(1):

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, ORS 195.301 AND ORS 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.

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 ORS 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, ORS 195.301 AND ORS 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.

Closing Clause:

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the day and year first above written.

Seller:

Purchaser:

Ward Development, LLC

Covey Rowhouses, LLC

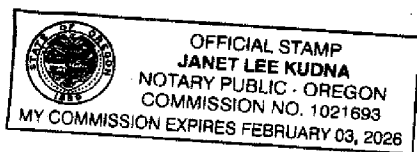
By: [Signature]
Name: Steven A. Ward
Its: Manager

By: [Signature]
Name: Sam Lapray
Its: Manager

STATE OF OREGON)
) ss.
County of Marion)

This record was acknowledged before me on 3-18-2022, 2022 by Steven A. Ward, Manager of Ward Development, LLC.

[Signature]
Notary Public for Oregon
My commission expires: 2/3/26



STATE OF OREGON)
) ss.
County of Marion)

This record was acknowledged before me on 3-22-2022, 2022 by Sam Lapray,
manager of Covey Rowhouses, LLC.

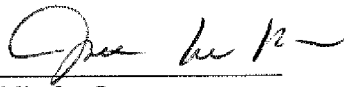
/s/ 
Notary Public for Oregon
My commission expires: 2/01/26



EXHIBIT A
[Exceptions on Title]

1. Water rights, claims to water or title to water, whether or not such rights are a matter of public record.
 2. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.
 3. Easement, including terms and provisions contained therein:
Recording Information: June 01, 1995 as Reel 1240, Page 360, Film Records
In Favor of: Portland General Electric Company
For: Electric power line easement and incidental purposes
 4. Infrastructure Agreement and the terms and conditions thereof:
Between: Sustainable Fairview Associates, LLC and Sustainable Investments, LLC
And: City of Salem
Recording Information: September 22, 2005 as Reel 2540, Page 426, Film Records

Modification and/or amendment by instrument:
Recording Information: August 18, 2011 as Reel 3309, Page 210, Film Records

Modification and/or amendment by instrument:
Recording Information: August 19, 2014 as Reel 3628, Page 424, Film Records

Modification and/or amendment by instrument:
Recording Information: July 26, 2019 as Reel 3713, Page 211, Film Records
 5. Order approving formation of the Sustainable Fairview Development District, including terms and provisions thereof.

Recorded: October 14, 2005 as Reel 2552, Page 4, Film Records
 6. Improvement Agreement and the terms and conditions thereof:
Between: City of Salem, Oregon, an Oregon municipal corporation
And: Sustainable Fairview Associates, LLC
Recording Information: September 15, 2010 as Reel 3214, Page 379, Film Records

Modification and/or amendment by instrument:
Recording Information: July 23, 2019 as Reel 4222, Page 86, Film Records
 7. Fairview Center East Subdivision Plat No. 09-4, including terms and provisions thereof.
Recorded: September 22, 2010 as Reel 3217, Page 52, Film Records
- 18 Contract of Sale

8. Fee in Lieu Agreement and the terms and conditions thereof:
Between: Sustainable Fairview Associates, LLC
And: City of Salem, Oregon, an Oregon municipal corporation
Recording Information: October 01, 2010 as Reel 3220, Page 88, Film Records10.
9. Easement, including terms and provisions contained therein:
Recording Information: October 17, 2016 as Reel 3872, Page 52, Film Records
In Favor of: Sustainable Fairview Associates, LLC
For: City of Salem, an Oregon municipal corporation
Affects: Lot 1 and 3
10. Easement, including terms and provisions contained therein:
Recording Information: March 04, 2020 as Reel 4307, Page 231, Film Records
In Favor of: Ward Development, LLC, an Oregon limited liability company
For: Public Utility
11. Improvement Agreement, including terms and provisions thereof.
Recorded: March 4, 2022, in Reel 4601, Page 28, Film Records

REEL: 4607

PAGE: 179

March 23, 2022, 03:05 pm.

CONTROL #: 699128

State of Oregon
County of Marion

I hereby certify that the attached
instrument was received and duly
recorded by me in Marion County
records:

FEE: \$ 176.00

BILL BURGESS
COUNTY CLERK

THIS IS NOT AN INVOICE.