

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (the "Agreement") is made and entered into as of August 06, 2021, by and between Colson & Colson Construction Co., an Oregon general partnership 50%/Norman Brendan 16% and Joseph Fox 34%, (Jointly and Severally the "Seller"), and Kevin Harrison (the "Buyer").

Recitals

A. The Seller is the owner of the real property and improvements on it, commonly known as and hereinafter referred to as the "Property," and more particularly described in Exhibit A attached consisting of 23.73 total acres.

B. The Buyer desires to purchase from the Seller, and the Seller desires to sell to the Buyer the Property. The terms of this Agreement are as follows:

1. **Purchase and Sale.** The Seller agrees to sell to the Buyer, and the Buyer agrees to purchase from the Seller, the Property upon the terms and conditions set forth in this Agreement.
2. **Purchase Price.** The purchase price for the Property shall be \$5,378,570, based on a sale price of \$5.50 per square foot of developable property, the entire Property being 23.73 acres, of which 1.28 acres is wetland that cannot be developed resulting in the Purchase Price being calculated on 22.45 acres. ($22.45 \times 43,560 = 977,922$ square feet $\times \$5.50 = 5,378,570$). There is an area of the Property in the southwest corner lying between the wetlands existing on site and Cordon Road ("Southwest Corner Piece"). If Buyer is able to cross wetlands area or otherwise gain access to the Southwest Corner Piece so that it can be used as part of Buyer's storm water management system, Buyer the Purchase Price shall include the area included in the Southwest Corner Piece and the Purchase Price shall be as set forth herein. If Buyer cannot cross the wetlands area or otherwise gain access to the Southwest Corner Piece to make use of it for Buyer's storm water management system, the area contained within the Southwest Corner Piece shall not be included in the calculation of the Purchase Price, and the Purchase Price set forth above shall be adjusted accordingly.
3. **Payment of Purchase Price.** The purchase price shall be payable as follows:
 - (a) **Deposit.** Contemporaneously with the execution of this Agreement Buyer has deposit into escrow a Note for Earnest Money in the sum of \$100,000. Within 10 days of determining only an emergency vehicle and pedestrian easement will be required as part of the Whitaker Connection, or agreement on a price adjustment or cost sharing agreement as provided for in Section 5(G)(x), Buyer shall convert the Note to cash. At Closing, this deposit, together with

interest on it, if any, shall be credited toward payment of the purchase price.

- (b) Cash Balance. On or before the closing date, the Buyer shall deposit into escrow the cash, a wire transfer of funds, a certified check, or a cashier's check, in the amount of \$5,278,570 less any interest accrued on the deposit, the balance of the purchase price.

4. Escrow

(a) Opening of Escrow. With the deposit by the Buyer of the sum of \$100,000, escrow shall be opened for consummating this transaction. The Buyer and the Seller shall deliver a fully executed copy of this Agreement to the Escrow Holder. The Buyer and the Seller hereby authorize their respective attorneys to execute and deliver into escrow any additional or supplemental instructions as may be necessary or convenient to implement the terms of this Agreement and to close this transaction.

(b) Closing Date. The Closing Date shall be 30 days after Buyer obtains final approvals required to construction Buyer's intended use and expiration of applicable appeal periods ("Final Approval Date"), unless the Final Approval Date is after December 1, 2021 and before December 31, 2021, in which case the Closing Date shall be December 31, 2021.

(c) Title Company. Escrow shall be opened with and this transaction closed by Ticor Title in Salem, Oregon.

5. Conditions to Closing

(a) Conditions Precedent to Buyer's Obligations. The close of escrow and the Buyer's obligations with respect to the transaction contemplated by this Agreement are subject to the satisfaction, not later than the Closing Date (unless otherwise provided), of the following conditions, and the obligations of the parties with respect to such conditions are as follows:

(i) Title. Within ten (10) business days of the execution of this Agreement, the Seller, at the Seller's cost and expense, shall cause the Escrow Holder to issue to the Buyer its preliminary title report on the Property (the "Preliminary Commitment"), along with copies of all documents that give rise to exceptions listed in the report (the "Underlying Documents"). Within ten (10) business days of receiving the Preliminary Commitment and the Underlying Documents, the Buyer shall give the Seller written notice setting forth the exceptions that are not acceptable to the Buyer (the "Unacceptable Exceptions"). All other exceptions shall be deemed acceptable to the Buyer. The Seller shall have ten (10) business days after receiving the Buyer's notice within which to give the Buyer its written notice agreeing to eliminate the Unacceptable Exceptions or electing to terminate this Agreement. If the Seller agrees to eliminate the Unacceptable Exceptions, the Seller shall be obligated to do so at its cost and as of the Closing Date.

(ii) Investigation and Review. It shall be a condition to closing that the documents described in this Paragraph 5(a)(ii) (the "Investigation Documents") be delivered to the Buyer and approved as provided below.

Within ten (10) days after executing this Agreement, unless otherwise specified, the Seller shall deliver or cause to be delivered to the Buyer the Investigation Documents. The Buyer shall have the right to review and approve each and every Investigation Document to its sole satisfaction within twenty (20) days after the Buyer receives it. The Buyer's failure to respond timely shall constitute the Buyer's approval of the Investigation Document provided. In the event the Buyer

disapproves any Investigation Document, the Buyer shall timely notify the Seller in writing, and the Seller shall have thirty (30) days in which to cure. If a cure acceptable to the Buyer is not timely achieved, the Buyer may waive the requirement in writing, or elect to terminate this Agreement for failure to satisfy a condition precedent to the Buyer's obligation to close.

A. Records. Environmental studies, wetland delininations, inspection reports, and all topographical surveys and soil tests for or relating to the Property in the Seller's possession or reasonably available to the Seller.

B. Leases. There is one existing tenant on the Property who occupies the house and shop has no written lease. Seller shall terminate the tenancy and remove the tenant on or before the Closing Date.

C. Permits. Copies of all permits, orders, letters, and other documents available to the Seller relating to the zoning and permitted uses of the Property.

D. Tax Notices. Copies of all tax and assessment notices and bills for the Property for the most recent two property tax years.

E. Past Uses. Any information in the Seller's possession or available to the Seller relating to the past uses of the Property.

F. Service Contracts. Copies of all service or maintenance contracts with respect to the Property.

G. Site Study. Before closing, the Buyer may engage consultants or engineers of the Buyer's choosing to conduct site studies of the Property as the Buyer deems necessary. The Buyer or its agents shall have the right to enter the Property at reasonable times before closing to make such tests, inspections, studies, and other investigations as the Buyer may require, at the Buyer's expense and risk. To assist with and advance Buyer's due diligence Seller has initiated a geotechnical study, survey, topographic survey, and environmental review of the property. Upon execution of this Agreement, Seller shall assign to, and Buyer shall assume, all rights associated with such studies, and thereafter all such studies shall be done for the benefit of and reliance on by Buyer. Buyer shall pay the cost of all such studies at Closing. Buyer's obligation to pay for studies conducted by Seller shall not exceed \$ _-0-_____ Seller assumes and shall have no liability for such inspections or studies, and Buyer's sole and exclusive remedy for any defects in such work shall be against the party performing the work and providing the information to Buyer. The Buyer shall indemnify and hold the Seller harmless from any loss, damage, or claim arising out of the Buyer's access to the Property for the purpose of making tests, inspections, studies, and other investigations. It shall be a condition to closing that the results of such studies or analyses be acceptable to the Buyer in its sole discretion.

(iii) Buyer's determination in its sole judgment that its intended use for apartment units is feasible given the condition of the land;

(iv) Successful rezoning of the entire property to a classification that allows for multifamily residential use.

(v) Either offsite mitigation or other legal termination of the wetlands delineated at the entrance to the property. Seller shall conduct a wetlands survey and be responsible for mitigating of approximately 11,000 sf. of wetlands.. Buyer shall reimburse Seller the actual costs of mitigation at Closing up to \$25,000. Seller shall act in good faith to initiate the mitigation process no later than February 01, 2022. If all other conditions to Closing are satisfied and wetland mitigation is not completed by the Closing Date, and Buyer reasonably approves of the status and successful conclusion of the mitigation, the transaction shall be Closed, and Buyer shall reimburse Seller the

actual costs of mitigation as provided for herein outside of Closing.

(vi) No Material Changes. At the Closing Date, there shall have been no material adverse changes related to or connected with the Property, whether directly or indirectly.

(vii) Seller's Deliveries. The Seller shall have timely delivered each and every item to be delivered by the Seller pursuant to this Agreement.

(viii) Title Insurance. As of the close of escrow, the Escrow Holder shall have issued or shall have committed to issue the title policy to the Buyer.

(ix) Removal, at Seller's expense by June 30, 2022, of brush piles and slash stockpiled on the property from Seller's tree removal activities prior to the date of this Agreement, Seller shall have no further obligation to remove trees from or clear the site.;

(x) Sellers successful negotiation of a development agreement regarding the property with the City of Salem, Oregon and any other regulatory agency whose approval is required for development. The development agreement shall provide development of the property with apartments will not require more than one emergency vehicle and pedestrian easement connecting from Seattle Slew or Clydesdale Street to Whitaker Street ("Whitaker Connection"). In the event, more than an emergency vehicle and pedestrian easement is required as part of the Whitaker Connection, The Seller agrees to a cost sharing in the event Seattle Slew is required to be constructed by Buyer. If Seattle Slew is a required connection, Seller agrees to pay 50% of the cost for Seattle Slew street improvement in excess of the cul-de-sac, which is currently a required improvement cost. Buyer acknowledges a reimbursement district related to improvements on Gaffin Road encumbers the property. Buyer accepts the responsibility to pay 50% of the amount due as a result of reimbursement district up to a maximum contribution by Buyer of \$150,000. Buyer also acknowledges and agrees to accept as conditions of development that the City of Salem is requiring a 15-inch sewer line be developed and the existing sewer line in Whitaker Street be extended to Cordon Road in conjunction with development of the Property. Buyer further acknowledges the City of Salem is requiring a \$100,000 assessment as a fee in lieu of improvement regarding frontage improvements on the property along Cordon Road. Buyer agrees to accept and pay the \$100,000 assessment when due. Further, if Buyer Closes the purchase of the Property, Buyer shall be solely responsible for any other improvement requirements imposed by the City of Salem or other applicable regulatory body as part of Buyer's development of the Property.

The conditions set forth in this Paragraph 5(a) are solely for the benefit of the Buyer and may be waived only by the Buyer. The Buyer shall at all times have the right to waive any condition. Such waiver or waivers shall be in writing to the Seller. The waiver by the Buyer of any condition shall not relieve the Seller of any liability or obligation with respect to any representation, warranty, covenant, or agreement of the Seller. Neither the Seller nor the Buyer shall act or fail to act for the purpose of permitting or causing any condition to fail (except to the extent the Buyer, in its own discretion, exercises its right to disapprove any such items or matters). Buyer shall provide notice to Seller of Buyer's dissatisfaction with any condition not requiring regulatory approval by a third party within 90 days of the date of this Agreement. If Buyer does not provide Seller with such notice, Buyer shall be deemed to have waived the condition. Buyer shall provide Seller with notice of dissatisfaction with any regulatory approval within 10 days of issuance of the approval, or prior to Closing, which ever is shorter. If Buyer fails to provide such notice, Buyer shall be deemed to have accepted the regulatory approval and all conditions and requirements of development set forth therein.

(b) Conditions Precedent to Seller's Obligations. The close of escrow and the Seller's

obligations with respect to the transactions contemplated by this Agreement are subject to the Buyer's delivery to the Escrow Holder on or before the Closing Date, for disbursement as provided herein, of the Purchase Price and the documents and materials described in Paragraph 6(b). Further, Seller's obligations with respect to the transactions contemplated by this Agreement are subject to the Buyer, using Buyer's best effort to apply for a Zone Change on the 1.26 acre portion of the property zoned Residential Agriculture and applying for all other necessary government or regulatory approvals required to develop the Property as an apartment complex within 60 days of the date of this Agreement, and diligently pursuing all such applications. If all other regulatory approvals are final, and required zone change is still pending, completion of the zone change shall not be a condition to Closing and if all other conditions to Closing are satisfied the transaction shall be Closed as provided for herein.

(c) Failure of Conditions to Closing. In the event any of the conditions set forth in Paragraph 5(a) or Paragraph 5(b) are not timely satisfied or waived, for a reason other than the default of the Buyer or the Seller under this Agreement:

(i) This Agreement, the escrow, and the rights and obligations of the Buyer and the Seller shall terminate, except as otherwise provided herein; and

(ii) The Escrow Holder is hereby instructed to promptly return to the Seller and the Buyer all funds and documents deposited by them, respectively, in escrow that are held by the Escrow Holder on the date of the termination (minus, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by that party under Paragraph 5(d)).

6. Deliveries to Escrow Holder

(a) By Seller. On or before the Closing Date, the Seller shall deliver the following in escrow to the Escrow Holder:

(i) Deed. A statutory warranty deed, substantially in the form attached as Exhibit 6(a)(i), duly executed and acknowledged in recordable form by the Seller, conveying the Property to the Buyer subject only to matters that may be approved in writing by the Buyer.

(ii) intentionally deleted

(iii) General Assignment. An assignment, substantially in the form attached as Exhibit 6(a)(iv), duly executed by the Seller, assigning to the Buyer all of the Seller's right, title, and interest in and to all service contracts accepted by the Buyer.

(iv) Nonforeign Certification. The Seller represents and warrants that it is not a "foreign person" as defined in IRC '1445. The Seller will give an affidavit to the Buyer to this effect in the form required by that statute and related regulations.

(v) Tenant Notification Letter. A letter to tenants, duly executed by the Seller and dated as of the Closing Date, satisfactory in form and substance to the Buyer, notifying each tenant that:

A. The Property has been sold to the Buyer;

B. All of the Seller's right, title, and interest in and to the tenant leases and tenant deposits have been assigned to the Buyer; and

C. Commencing immediately, all rent and other payments and any notices under tenant leases are to be paid and sent to the Buyer.

(vi) Changes of Address. Written notices executed by the Seller to taxing

authorities having jurisdiction over the Property, changing the address for service of notice and delivery of statements and bills substantially in the form attached as Exhibit 6(a)(vii).

(vii) Proof of Authority. Such proof of the Seller's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of the Seller to act for and bind the Seller, as may be reasonably required by the Escrow Holder and/or the Buyer.

(viii) Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Escrow Holder in order to issue the title policy.

(b) By Buyer. On or before the Closing Date, the Buyer shall deliver the following in escrow to the Escrow Holder:

- (i) Purchase Price. The purchase price in accordance with Paragraph B.3 above.
- (ii) Tenant Lease Assignment. The tenant lease assignment duly executed and acknowledged by the Buyer in recordable form.
- (iii) General Assignment. The general assignment duly executed by the Buyer.
- (iv) Prorations. The amount due the Seller, if any, after the prorations are computed in accordance with Paragraph B.10 below.

7. Deliveries to Buyer at Closing. The Seller shall deliver possession of the Property to the Buyer at close of escrow. On or before the Closing Date, the Seller shall deliver to the Buyer possession of the following:

(a) Tenant Leases. Originals of all of the tenant leases or, to the extent an original tenant lease is unavailable, a duplicate original of it with a certificate executed by the Seller warranting the authenticity of the duplicate original.

(b) Keys. Keys to all entrance doors to the improvements on the Real Property and keys to all personal property located on the Property, which keys shall be properly tagged for identification.

(c) Personal Property. Possession of the personal property.

(d) Records and Plans. Copies of all architectural drawings, construction plans and specifications, "as-built" records of the improvements, environmental studies, inspection reports, and all topographical surveys and soil tests for or relating to the Property in the Seller's possession or reasonably available to the Seller.

8. Title Insurance. At closing, the Seller shall provide, at its expense, a standard owner's title insurance policy in the amount of the purchase price specified above, insuring title vested in the Buyer or its nominees, subject only to matters that may be approved in writing by the Buyer.

9. Adjustments. The Seller shall pay for the standard coverage title insurance policy, recording charges, one-half of all escrow fees and costs, and the Seller's share of prorations pursuant to Paragraph 10 below. The Buyer shall pay recording charges, one-half of all escrow fees and costs, and the Buyer's share of prorations pursuant to Paragraph 10 below. The Buyer and the Seller shall each pay its own legal and professional fees of other consultants incurred by the Buyer and the Seller, respectively. All other costs and expenses shall be allocated between the Buyer and the Seller in accordance with the customary practice in Marion County, Oregon. At closing, the Buyer shall

contribute any funds necessary to pay its share of adjustments.

10. Prorations

(a) General. Rental, revenues, and other income, if any, from the Property and presently existing taxes, assessments, improvement bonds, and other expenses, if any, affecting the Property, shall be prorated as of the day following the Closing Date. For the purpose of calculating prorations, the Buyer shall be deemed to be in title to the Property and, therefore, entitled to the income and responsibility for the expenses for the entire day following the Closing Date.

(b) Method of Proration. All prorations shall be made in accordance with customary practice in Marion County, Oregon, except as expressly provided herein. The Buyer and the Seller agree to cause their accountants to prepare a schedule of tentative prorations before the Closing Date. Such prorations, if and to the extent known and agreed on as of the Closing Date, shall be paid by the Buyer to the Seller (if the prorations result in a net credit to the Seller) or by the Seller to the Buyer (if the prorations result in a net credit to the Buyer) by increasing or reducing the cash to be paid by the Buyer at closing. Any such prorations not determined or not agreed on as of the Closing Date shall be paid by the Buyer to the Seller, or by the Seller to the Buyer, as the case may be, in cash as soon as practicable following the Closing Date. A copy of the schedule of prorations as agreed upon by the Buyer and the Seller shall be delivered to the Escrow Holder at least three business days before the Closing Date.

11. Disbursements and Other Actions by Escrow Holder. At closing, the Escrow Holder shall do the following:

(a) Funds. Disburse all funds deposited with the Escrow Holder by the Buyer in payment of the purchase price as follows:

(i) Deduct all items chargeable to the account of the Seller pursuant to Paragraph 9 above.

(ii) Disburse the balance of the purchase price to the Seller promptly upon closing.

(iii) Disburse the remaining balance of the funds, if any, to the Buyer promptly upon closing.

(b) Recording. Cause the deed, and any other documents that the parties may mutually direct to be recorded in the official records and obtain conformed copies for distribution to the Buyer and the Seller.

(c) Title Policy. Issue the title policy to the Buyer.

(d) Disbursement of Documents to Buyer. Disburse to the Buyer the bill of sale, the general assignment, the FIRPTA certificate, the tenant notification letters and change of address notices duly executed by the Seller, and any other documents (or copies thereof) deposited into escrow by the Seller pursuant hereto.

12. Intentionally deleted

13. Seller's Representations and Warranties. In addition to any express agreements of the Seller contained here, the following constitute representations and warranties of the Seller to the Buyer:

(a) Representations Regarding Seller's Authority.

(i) The Seller has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated here.

(ii) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Seller in connection with entering into this Agreement, the instruments referred to here, and the consummation of the transactions contemplated here. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(iii) The persons executing this Agreement and the instruments referred to here on behalf of the Seller and the partners, officers, or trustees of the Seller, if any, have the legal power, right, and actual authority to bind the Seller to the terms and conditions of this Agreement.

(iv) This Agreement and all documents required to be executed by the Seller are and shall be valid, legally binding obligations of and enforceable against the Seller in accordance with their terms.

(v) Neither the execution and delivery of this Agreement and documents referred to here, nor the incurring of the obligations set forth here, nor the consummation of the transactions here contemplated, nor compliance with the terms of this Agreement and the documents referred to here conflict with or result in the material breach of any terms, conditions, or provisions of, or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which the Seller is a party or affecting the Property.

(b) Warranties and Representations Pertaining to Real Estate and Legal Matters.

(i) The information contained in the recitals is true and correct.

(ii) Except as disclosed to the Buyer in writing, there is no litigation, claim, or arbitration, pending or threatened, with regard to the Property or its operation.

(iii) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of the Seller's knowledge, threatened against the Seller, nor are any such proceedings contemplated by the Seller.

(iv) The Seller is the legal and beneficial fee simple titleholder of the Property and has good, marketable, and insurable title to the Property, free and clear of all liens, encumbrances, claims, covenants, conditions, restrictions, easements, rights of way, options, judgments, or other matters, except as disclosed by the preliminary title report. There shall be no change in the ownership, operation, or control of the Seller from the date of this Agreement until the Closing Date.

(v) To the best of the Seller's knowledge, the Property is materially in compliance with applicable state and federal environmental standards and requirements affecting it.

(vi) The Seller has not received any notices of violation or advisory action by regulatory agencies regarding environmental control matters or permit compliance with respect to the Property.

(vii) The Seller has not transferred hazardous waste from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements. To the best of the Seller's knowledge, no other person has transferred hazardous waste from the Property to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements.

(viii) There are no proceedings, governmental administrative actions, or judicial

proceedings pending or, to the best of the Seller's knowledge, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment.

(ix) To the best of the Seller's knowledge, the Seller has not, during its ownership of the Property, stored, produced, or disposed of any hazardous substance, including asbestos, on the Property.

(c) Representations, Warranties, and Covenants Regarding Operation of the Property Through the Close of Escrow.

(i) The Seller further represents and warrants that, until this transaction is closed or escrow is terminated, whichever comes earlier, it shall:

A. Operate and maintain the Property in a manner consistent with the Seller's past practices;

B. Keep all existing insurance policies affecting the Property in full force and effect;

C. Make all regular payments of interest and principal on any existing financing;

D. Comply with all government regulations;

E. Keep the Buyer timely advised of any repair or improvement required to keep the Property in substantially the same condition as when inspected by the Buyer and that costs more than \$15,000.

(ii) The Seller will not enter into any new leases.

(e) General Representation. The Seller's representations and warranties contained here are true and accurate, and are not misleading. The Seller's representations and warranties contained here shall be continuing and shall be true and correct as of the Closing Date with the same force and effect as if remade by the Seller in a separate certificate at that time. The Seller's representations and warranties contained here shall survive the close of escrow and shall not merge into the deed and the recordation of the deed in the official records.

14. As Is. Buyer acknowledges that Buyer has assessed, or has had the opportunity to assess, the size, configuration, utility service, environmentally sensitive areas, means of access, permitted uses, status of title, value, condition, and all other material aspects of the Property and, except as specifically stated herein, Buyer is not relying on, nor has Buyer been influenced by, any statement or representation of Seller or any agent or representative of Seller regarding any of these items. Except for any actionable breaches of Seller's representations and warranties contained herein, Buyer's acceptance of the Property and the satisfaction or waiver of all of Buyer's conditions to closing will be evidenced solely by the closing of this transaction and without any other act or confirmation by Buyer. Buyer will not have the option to close this transaction without accepting the Property in its then-current condition, and Buyer acknowledges that except for any Seller's breach of an express warranty stated in this Agreement, Buyer is acquiring the Property "AS IS, WHERE IS" in its current condition existing as of the Closing Date, without any representation or warranty of any kind or nature by Seller. Other than the Seller's representations and warranties contained in this Agreement and those contained in any instrument delivered to the Buyer at closing, the Buyer acknowledges that it is purchasing the Property AS IS.

15. Buyer's Representations and Warranties. In addition to any express agreements of

the Buyer contained here, the following constitute representations and warranties of the Buyer to the Seller:

(a) The Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to here and to consummate the transactions contemplated here.

(b) All requisite action (corporate, trust, partnership, or otherwise) has been taken by the Buyer in connection with entering into this Agreement and the instruments referred to here and the consummation of the transactions contemplated here. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.

(c) The persons executing this Agreement and the instruments referred to here on behalf of the Buyer have the legal power, right, and actual authority to bind the Buyer to the terms and conditions of this Agreement.

(d) This Agreement and all documents required by it to be executed by the Buyer are and shall be valid, legally binding obligations of, and enforceable against the Buyer in accordance with their terms.

(e) Neither the execution and delivery of this Agreement and documents referred to here, nor the incurring of the obligations set forth here, nor the consummation of the transactions contemplated, nor compliance with the terms of this Agreement and the documents referred to here conflicts with or results in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness, or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which the Buyer is a party.

16. Damage or Destruction; Condemnation. Until close of escrow, the risk of loss shall be retained by the Seller. The Seller shall keep the Property fully insured until close of escrow.

In the event all or any material portion of the Property is damaged, destroyed, or condemned or threatened with condemnation before the close of escrow, the Buyer may terminate this Agreement. In such event, escrow will be terminated, the earnest money deposit and accrued interest thereon will be promptly returned to the Buyer, and this Agreement shall have no further force or effect whatsoever. If a nonmaterial portion of the Property is destroyed or condemned, this Agreement shall remain in full force and effect, including, without limitation, the Buyer's obligation to close this transaction as provided for here and to pay the full purchase price to the Seller. In such event, the Buyer shall be assigned all insurance proceeds or condemnation proceeds payable to or for the account of the Seller.

17. Notices. All notices or other communications required or permitted under this Agreement shall be in writing, and shall be personally delivered (including by means of professional messenger service) or sent by registered or certified mail, postage prepaid, return receipt requested, and shall be deemed received three days after deposit in the United States mail.

law or in equity), an amount equal to the deposit. This amount shall be the full, agreed, and liquidated damages for the breach of this Agreement by the Buyer, all other claims to damage or other remedies being herein expressly waived by the Seller. The payment of this amount as liquidated damages is not intended as a forfeiture or penalty, but is intended to constitute liquidated damages to the Seller. Upon default by the Buyer, this Agreement shall be terminated and neither party shall have any further rights or obligations under it, each to the other, except for the right of the Seller to collect such liquidated damages from the Buyer and the Escrow Holder. In the event the Seller has delivered all items as required by Paragraph 6(a) above, and the Buyer fails to pay the purchase price in full into escrow, the Escrow Holder shall immediately pay the deposit of \$100,000 plus any interest earned thereon to the Seller, upon receipt of a signed statement from the Seller that it has complied in all respects with the terms of this Agreement and has performed all obligations that the parties agree may be performed after closing. The Escrow Holder shall not require the Buyer's written approval as a condition precedent to the disbursement of the deposit to the Seller.

22. Assignment. The Buyer shall have the right to assign its rights and obligations under this Agreement to any affiliated entity, including but not limited to, a limited liability company formed for the purpose of development of the property.

23. Miscellaneous

(a) **Partial Invalidity.** If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(b) **Waivers.** No waiver of any breach of any covenant or provision contained here shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision here contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

(c) **Survival of Representations.** The covenants, agreements, representations, and warranties made here shall survive the close of escrow and shall not merge into the deed and the recordation of it in the official records.

(d) **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the permitted successors and assigns of the parties to it.

(e) **Attorney Fees.** In the event a party to this Agreement brings any action or suit against another party to this Agreement by reason of any breach of any of the covenants, agreements, or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorney fees, at trial and on appeal.

(f) **Entire Agreement.** This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it, including but not limited to, the Sale Agreement and Receipt for Earnest Money and all addenda thereto and/or modifications thereof. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted here. The

parties do not intend to confer any benefit on any person, firm, or corporation other than the parties hereto.

(g) Time of Essence. The Seller and the Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision.

(h) Construction. Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural, and the masculine shall include the feminine, and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared it. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference. In the event the date on which the Buyer or the Seller is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

(i) Counterparts. This Agreement may be executed simultaneously or in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same contract.

(j) Electronically Signed Copies. Either party may rely upon electronically signed or facsimile copies of this Agreement to the same extent as the originals.

24. Governing Law. The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the state of Oregon.

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 197.352. 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 APPROVED USES, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505. ORS 358.515 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written above.

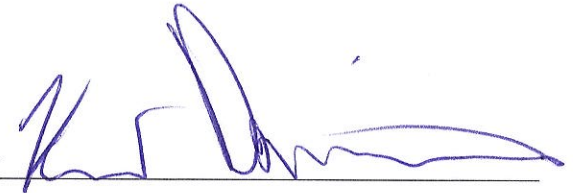
BUYER:

SELLER:

By


Seller

By


Buyer