

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is made and entered into effective on October ____, 2017 (the "Effective Date") between the estate of Joan Kay Rohm ("Seller"), whose address is PO Box 572, John Day, Oregon 97845, and City of John Day ("Buyer"), an Oregon municipal corporation, whose address is 450 East Main Street, John Day, Oregon 97845.

RECITAL:

Seller owns certain commercial real property commonly known as 135 W Main Street, John Day, Oregon 97845, as more particularly described on the attached Exhibit A, together with all fixtures and improvements located thereon (collectively, the "Real Property"). Subject to the terms and conditions contained in this Agreement, Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. DEFINITIONS

Unless defined elsewhere in this Agreement, capitalized terms used in this Agreement have the meanings assigned to them in the attached Appendix A.

2. SALE OF PROPERTY

2.1 Sale of Property; Earnest Money. Subject to the terms and conditions contained in this Agreement, Seller will sell the Property to Buyer and Buyer will purchase the Property from Seller. The purchase price for the Property is \$100,000.00 (the "Purchase Price"), plus payment of the Closing Costs. Within five days after the Effective Date, Buyer will deposit the Earnest Money with Title Company. Title Company will retain the Earnest Money until paid to Seller or returned to Buyer in accordance with this Agreement. The Earnest Money will not be invested in an interest-bearing account.

2.2 Payment; Pro-Ration. At the Closing, the Purchase Price will be paid as follows: (a) the Earnest Money will be paid to Seller and credited to the Purchase Price; and (b) Buyer will pay Seller the unpaid balance of the Purchase Price (\$90,000.00) by cash, cashier's check, or wire transfer to an account specified by Seller in writing. Any utilities, rents, taxes, and other similar items and expenses with respect to the Property will be prorated between Seller and Buyer as of the Closing Date. The proration will be made at the Closing to the extent possible. The proration of any remaining items and expenses will be made as soon as practicable after the Closing Date. Notwithstanding anything contained in this Agreement to the contrary, Seller will pay all real property and other taxes concerning or related to the Property and this Transaction; Buyer is a tax exempt municipal corporation and will not pay any real property and/or other taxes concerning or related to the Property and/or this Transaction. **[need to discuss property's real property taxes with Nick]**

2.3 Retained Liabilities; Commercial Leases. Seller will timely pay and perform all Retained Liabilities. Buyer will not assume any Seller and/or Property liabilities, obligations, costs, and/or expenses whatsoever. Effective as of the Closing Date, Seller and Tenants will, at Seller's cost and expense, terminate the Leases, including, without limitation, the Kirpatrick Lease, so that the Leases are of no further force and effect as of the Closing Date. At the Closing, Buyer and Tenants will enter into the Commercial Leases; provided, however, Buyer will not enter into a Commercial Lease with Win Kirpatrick. Before the Closing Date, Seller will remove, or cause to be removed, all personal property from the premises subject to the Kirpatrick Lease. Personal property will be removed in a manner that does not damage the Property or disrupt use of the Property after the Closing Date. If

damage is caused by such removal, Seller will repair such damage at Seller's cost and expense.

2.4 Real Property Sold AS-IS. **Except for Seller's representations and warranties contained in this Agreement, Seller expressly excludes all representations and warranties with respect to the Real Property, express and implied. Buyer acknowledges that, except for Seller's representations and warranties contained in this Agreement, Buyer is purchasing the Real Property "AS-IS" and "WITH ALL FAULTS" as of the Closing Date.**

2.5 Broker Representation. Buyer and Seller acknowledge having received the Oregon Real Estate Initial Agency Disclosure Pamphlet required under Oregon law and hereby acknowledge and consent to Lori Hickerson, Sally Knowles, and Babette Larson (individually and collectively, "Licensee(s)"), Duke Warner Realty, representing both Buyer and Seller concerning the Transaction. Buyer and Seller acknowledge that Licensees are the disclosed limited agents for both Buyer and Seller as more fully explained in certain disclosed limited agency agreements that have been reviewed and signed by Buyer, Seller, and Licensee(s). At the Closing, Buyer will pay Licensees the Brokerage Commission; no further brokerage commissions will be paid to Licensees by either Seller or Buyer.

3. SELLER REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to Buyer as follows:

3.1 Authority; Binding Obligation. Seller has full power and authority to sign and deliver this Agreement and to perform all Seller's obligations under this Agreement. This Agreement is the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with its terms. Seller's signing and delivery of this Agreement, and Seller's performance of Seller's obligations under this Agreement, will not (a) breach any agreement to which Seller is a party, or give any person the right to accelerate any Seller obligation, (b) violate any law, judgment, and/or order to which Seller is subject, and/or (c) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body.

3.2 Title; Compliance. Seller has good title to the Property, free from all Encumbrances except for the Permitted Closing Encumbrances. Immediately before the Closing, Seller will have good title to the Property, free from all Encumbrances except the Permitted Closing Encumbrances. Seller and the Property are in compliance with all Laws, and no actions, judgments, audits, hearings, proceedings, orders, investigations, claims, litigation, and/or arbitration is pending or threatened against Seller and/or the Property. No fixture or improvement on the Real Property encroaches onto a parcel of land not included in the Real Property. No fixture or improvement on any parcel of land not included in the Real Property encroaches onto the Real Property. Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code.

3.3 Leases; Rent Roll; Contracts; Brokers. Schedule 3.3 contains a complete list of – and, if written, Seller has delivered to Buyer a complete and accurate copy of – each Lease. Each Lease is in full force and effect and no default exists under any Lease. Seller has timely paid and performed all Seller's obligations under each Lease. Each Tenant has timely paid and performed his, her, or its obligations under such Tenant's Lease. Seller will terminate the Leases in accordance with Section 2.3. The Rent Roll contained in Schedule 3.3 is complete, accurate, and does not omit or misstate any information concerning the Leases. Except for the Leases, Seller is not a party to any agreement or contract (written or verbal) concerning the ownership, lease, use, maintenance, and/or operation of the Property. Seller has not incurred any liability or obligation, whether contingent or otherwise, for a brokerage commission, a finder's fee, or any other similar payment concerning this Agreement and/or the Transaction.

3.4 Environmental; Physical Condition; Accuracy of Representations and Warranties. Seller has no liabilities and/or obligations of any kind arising out of any Environmental Law. Seller is not a party to any contract, settlement agreement, and/or other similar arrangement that requires Seller to have any liability and/or obligation arising out of any Environmental Law. To Seller's Knowledge, no Hazardous Substances have been spilled, discharged, and/or otherwise released on or into the Real Property. Seller has not received any notice from any

governmental authority and/or other person regarding (a) any actual, alleged, and/or potential failure by Seller to comply with any Environmental Law, and/or (b) any actual or threatened liability and/or obligation of Seller arising out of any Environmental Law. No action, arbitration, audit, hearing, investigation, litigation, suit, and/or other proceeding relating to any Environmental Law is pending or threatened against Seller and/or the Real Property. Except as provided in Schedule 3.4, and as identified in the Inspection Notice, the Real Property does not contain any material defects and all electrical, mechanical (including, without limitation, HVAC) and plumbing systems serving the Real Property are in good operable condition and repair. None of Seller's representations or warranties contain or will contain through the Closing any untrue statement of a material fact or omits or will omit or misstate a material fact necessary to make the statements contained herein not misleading.

4. BUYER REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Seller as follows: (a) Buyer is an Oregon municipal corporation duly organized and validly existing under the laws of the State of Oregon; (b) Buyer has full power and authority to sign and deliver this Agreement and to perform all Buyer's obligations under this Agreement; (c) this Agreement is the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with its terms; (d) Buyer's signing and delivery of this Agreement and performance of Buyer's obligations under this Agreement will not (i) breach any agreement to which Buyer is a party, or give any person the right to accelerate any obligation of Buyer, (ii) violate any law, judgment, and/or order to which Buyer is subject, and/or (iii) require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body. Except for Buyer's representations and warranties contained in this Section 4, Buyer expressly excludes all representations and warranties with respect to the Transaction, express and implied.

5. BUYER DUE DILIGENCE

Buyer will have thirty (30) days commencing from the Effective Date (the "Due Diligence Period") within which to complete an inspection and examination of the Property (including, without limitation, the Leases). This inspection and examination may include, without limitation, an inspection and examination of the following: (a) the Property's physical condition; (b) the Real Property's condition of title; (c) presence or absence of any Hazardous Substances; (d) feasibility of the Property for Buyer's intended purpose; and/or (e) Seller's contracts, governmental authorizations, Leases, and/or any other documentation concerning the Property. Seller will assist Buyer in Buyer's performance of its due diligence investigation. This Agreement will automatically terminate and the Earnest Money returned to Buyer unless Buyer provides written notice to Seller prior to the expiration of the Due Diligence Period stating that Buyer is satisfied with the results of Buyer's inspection and examination of the Property under this Section 5.

6. SELLER COVENANTS BEFORE CLOSING.

In addition to any other Seller covenant contained in this Agreement, Seller covenants to Buyer as follows before the Closing:

6.1 No Transfer; Seller's Business. Until the Closing or earlier termination of this Agreement, Seller will perform and comply with the following: (a) Seller will not Transfer the Property; (b) Seller will own and use the Property and perform all Seller's obligations under the Leases in the ordinary course of Seller's business; (c) Seller will use commercially reasonable efforts to preserve Seller's relations and goodwill with the Tenants; (d) Seller will keep the Real Property in good repair and operating condition, reasonable wear and tear excepted; and (e) Seller will comply with the Laws.

6.2 Filings; Notices; Consents. Seller will use Seller's best efforts to close the Transaction and will do all acts and things as may be required to carry out Seller's obligations under this Agreement and close the Transaction. Seller will obtain all consents, authorizations, and approvals that Seller is required to obtain to close the Transaction. Seller will make all filings and give all notices that Seller is required to make and give to close the Transaction. Seller will cooperate with Buyer with respect to all filings and notices that Buyer is required to make

and give to close the Transaction. Seller will cooperate with Buyer with respect to all consents, authorizations, and approvals that Buyer is required to obtain to close the Transaction and to own and use the Property immediately after the Closing.

6.3 **Notification.** Until the Closing or earlier termination of this Agreement, Seller will promptly notify Buyer if Seller obtains Knowledge of the following: (a) any material loss or damage with respect to the Property with a value over \$5,000.00; (b) Seller's breach of any Seller representation or warranty contained in this Agreement; and/or (c) any event that makes the satisfaction of any Closing condition impossible or unlikely.

7. CONDITIONS TO BUYER'S CLOSING OBLIGATIONS.

Buyer's obligation to purchase the Property and close the Transaction is conditioned on the satisfaction by Seller or waiver by Buyer of each of the following conditions:

7.1 **Accuracy and Covenants; Closing Documents.** Each of Seller's representations and warranties contained in this Agreement must be accurate in all respects as of the Effective Date and Closing Date. Seller must have performed and complied with Seller's covenants contained in this Agreement and, if necessary, Seller must have obtained a lawful court order from Grant County Circuit Court authorizing the Transaction. Seller must have caused the following items to be delivered to Buyer: (a) the items set forth in Section 9.3; (b) a commitment from Title Company to issue the Title Insurance to Buyer; and (c) the Closing Documents.

7.2 **Due Diligence; Estoppel Certificates; Tenant Leases.** Buyer's satisfactory completion of Buyer's due diligence investigation described under Section 5. Seller will have delivered to Buyer an Estoppel Certificate for each Tenant. Seller will have terminated the Leases in accordance with Section 2.3 and caused the premises subject to the Kirpatrick Lease to be vacated in accordance with Section 2.3. Each Tenant (except for Win Kirpatrick) must sign and deliver a Commercial Lease to Buyer.

If any condition described in this Section 7 is not satisfied by Seller or waived by Buyer, Buyer may terminate this Agreement by notice to Seller, in which event the Earnest Money will be returned to Buyer and neither party thereafter will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or the Transaction.

8. CONDITIONS TO SELLER'S CLOSING OBLIGATIONS.

Seller's obligation to sell the Property to Buyer and close the Transaction is condition on the satisfaction by Buyer or waiver by Seller of each of the following conditions:

8.1 **Accuracy; Covenants.** Each of Buyer's representations and warranties contained in this Agreement must be accurate as of the Effective Date and Closing Date. Buyer must have performed and complied with Buyer's covenants contained in this Agreement.

8.2 **Closing Documents.** Buyer must have caused the following documents or items to be delivered to Seller: (a) those items set forth in Section 9.2; and (b) the Closing Documents.

9. CLOSING.

9.1 **Closing.** The Closing will take place at the offices of Title Company on or before November ____, 2017 or any other place or time that the parties may agree in writing; provided, however, in no event will the Closing occur after the Drop-Dead Date.

9.2 **Buyer - Closing Obligations.** At the Closing, Buyer will deliver the following: (a) Buyer will deliver the balance of the Purchase Price (\$90,000.00) by cash, cashier's check, certified check, or wire transfer to an account specified by Seller; (b) a certified check signed by Buyer for any prorated expenses with respect to the Real

Property, if applicable (to the extent that pro-rations are made at the Closing); (c) Buyer will pay the Closing Costs; and (d) the Closing Documents signed by Buyer.

9.3 Seller - Closing Obligations. At the Closing, Seller will deliver the following to Buyer: (a) the Warranty Deed; (b) a certified check signed by Seller for any prorated expenses (to the extent pro-rations are made at the Closing); (c) the Closing Documents; (d) possession of the Property, subject to the tenancies created under the Commercial Leases; (e) a commitment from Title Company to issue the Title Insurance to Buyer; (f) Estoppel Certificates; (g) the Commercial Leases; and (g) such other documents and instruments that Buyer may request for the Transaction in form and substance reasonably satisfactory to Buyer.

9.4 Title Insurance; Warranty Deed. Within fifteen (15) days after the Closing Date, Title Company will furnish Buyer with the Title Insurance at Buyer's cost and expense. On the Closing Date, Seller will execute and deliver the Warranty Deed to Buyer.

9.5 Condemnation; Risk of Loss. If, prior to the Closing, all or any material portion of the Real Property is taken by condemnation, eminent domain, or is the subject of a pending or contemplated taking which has not been consummated, or if the Real Property is substantially destroyed or rendered unusable, Seller will notify Buyer of such fact in writing. In such event, Buyer will have the option to terminate this Agreement upon written notice to Seller. Upon such termination, neither party will have any further rights or obligations hereunder, other than pursuant to any provision hereof that expressly survives the termination of this Agreement, and the Earnest Money will be returned to Buyer. If Buyer elects not to terminate this Agreement, Seller will assign and turn over to Buyer, and Buyer will be entitled to receive and keep, all awards for the taking by condemnation or insurance proceeds and Buyer will be deemed to have accepted the Real Property subject to the taking or loss without reduction in Purchase Price.

10. TERMINATION; DEFAULT; INDEMNIFICATION.

10.1 Termination. This Agreement will terminate upon the earliest to occur of the following: (a) upon notice from Buyer to Seller if Closing has not occurred on or before the Drop-Dead Date; or (b) upon notice from Buyer to Seller if any condition to Buyer's obligation to close the Transaction has not been satisfied by Seller or waived by Buyer. Upon termination pursuant to this Section 10.1, the Earnest Money will be returned to Buyer and neither party thereafter will have any further rights, remedies, and/or obligations with respect to the Property, Transaction, and/or the other party.

10.2 Seller Default. Except as otherwise provided in this Agreement, if Seller breaches and/or otherwise fails to perform any Seller representations, warranties, covenants, and/or obligations contained in this Agreement, time of payment and performance being of the essence, Buyer will have the right, by written notice to Seller, to (a) terminate this Agreement and have the Earnest Money returned to Buyer as Buyer's sole and exclusive remedy, subject to Buyer's right of indemnification under Section 10.5, or (b) file a suit for specific performance. Seller acknowledges and agrees that remedies available at law for any Seller breach of this Agreement will, by their nature, be inadequate. Accordingly, Buyer may obtain injunctive relief or other equitable relief to restrain a breach or threatened breach of this Agreement or to specifically enforce this Agreement, without proving that any monetary damages have been sustained.

10.3 Buyer Default. Notwithstanding anything contained in this Agreement to the contrary, if Buyer breaches and/or otherwise fails to perform any Buyer representations, warranties, covenants, and/or obligations contained in this Agreement, time of payment and performance being of the essence, Seller will have the right, by written notice to Buyer, to terminate this Agreement and retain the Earnest Money as Seller's sole and exclusive remedy and neither party thereafter will have any further rights or obligations with respect to the Property, Transaction, and/or the other party. Seller and Buyer acknowledge and agree that if Buyer breaches this Agreement it will be difficult to determine the amount of Seller's actual damages and that if Seller elects to terminate this Agreement and retain the Earnest Money as liquidated damages, the amount thereof is a reasonable forecast of the actual damages that Seller could be expected to suffer as a result of Buyer's breach.

Buyer acknowledges and agrees that the remedies available at law for any breach of this Agreement by Buyer will, by their nature, be inadequate. Accordingly, Seller may obtain injunctive relief or other equitable relief to restrain a breach or threatened breach of this Agreement or to specifically enforce this Agreement, without proving that any monetary damages have been sustained.

10.4 Prior Notice of Default. Prior to declaring a party in default under this Agreement, the non-defaulting party will provide the alleged defaulting party prior written notice of the alleged default (the "Default Notice"), which Default Notice will specify with reasonable particularity the default the non-defaulting party believes exists. Commencing on the alleged defaulting party's receipt of the Default Notice, the alleged defaulting party will have ten (10) days within which to cure or remedy the alleged default(s) (the "Cure Period"); provided, however, if the nature of the default(s) is such that it cannot be completely remedied or cured within the Cure Period, there will not be a default by the alleged defaulting party under this Agreement if the alleged defaulting party begins correction of the default within the Cure Period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practicable. Notwithstanding anything contained in this Agreement to the contrary, no Default Notice is required if Buyer fails to timely pay the Purchase Price or if Seller fails to deliver the Warranty Deed on the Closing Date.

10.5 Seller Indemnification. Seller will indemnify, defend, and hold Buyer and Buyer's Representatives harmless for, from, and against all Damages resulting from, or arising out of, whether directly or indirectly, the following: (a) Seller's ownership, use, maintenance, leasing, and/or operation of the Property, including, without limitation, Seller's liabilities and/or obligations arising out of or under the Leases; (b) Seller's failure to timely pay and perform any covenant and/or obligation required to be performed by Seller under this Agreement, including, without limitation, Buyer's timely payment and performance of the Retained Liabilities; and/or (c) Seller's breach and/or failure to perform any Seller representation, warranty, covenant, and/or obligation contained in this Agreement. Seller's indemnification obligations under this Section 10.5 will not merge into the Warranty Deed but will survive the Closing.

10.6 Buyer Indemnification. Buyer will defend, indemnify, and hold Seller and each Seller Representative harmless for, from, and against all Damages, whether known or unknown, resulting from or arising out of, whether directly or indirectly, the following: (a) any breach or inaccuracy of any Buyer representation, warranty, and/or covenant made in this Agreement; and/or (b) Buyer's failure to timely perform any covenant and/or obligation required to be performed by Buyer under this Agreement. Buyer's indemnification obligations arising under this Section 10.6 will survive the Closing for a period of two years after the Closing Date.

11. MISCELLANEOUS.

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

11.2 Expenses; Assignment; Binding Effect. Except as otherwise provided in this Agreement, each party will bear the party's own fees, costs, and expenses incurred in connection with the Transaction, including, without limitation, the preparation, negotiation, signing, and performance of this Agreement and the other agreements and documents relating to the Transaction. Time is of the essence with respect to all dates and time periods in this Agreement. Neither party may assign or delegate any of the party's rights or obligations under this Agreement to any person without the prior written consent of the other party. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit.

11.3 Notices; Amendment; Severability. Any notice required under this Agreement must be in writing. Any notice will be deemed given when personally delivered by a professional messenger service or via commercial overnight air courier, delivered by facsimile or other electronic transmission (with electronic confirmation of delivery), or will be deemed given three business days following delivery of the notice by U.S. mail, postage prepaid, certified, return receipt requested, by the applicable party to the address of the other party first shown above (or any other address that a party may designate by notice to the other party), unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed given on the next following business day. This Agreement may be amended only by a written document signed by the party against whom enforcement is sought. No waiver will be binding on a party unless it is in writing and signed by the party making the waiver. A party's waiver of a breach of a provision of this Agreement will not be a waiver of any other provision or a waiver of a subsequent breach of the same provision. If a provision of this Agreement is determined to be unenforceable in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired.

11.4 Further Assurances; Termination; Survival. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. The termination of this Agreement, regardless of how it occurs, will not relieve a party of obligations that have accrued before the termination. If the Closing occurs, Seller's representations, warranties, and covenants contained in this Agreement (including Seller's indemnification obligations provided under Section 10.5) will survive the Closing and will not merge with or into the Warranty Deed.

11.5 Attachments; Remedies; Governing Law. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement. The parties will have all remedies available to them at law or in equity. All available remedies are cumulative and may be exercised singularly or concurrently. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action, suit, or proceeding arising out of the subject matter of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page.

11.6 Attorney Fees; Discretion. If any arbitration, action, suit, and/or proceeding is instituted to interpret, enforce, and/or rescind this Agreement, or otherwise in connection with the subject matter of this Agreement, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, action, suit, or proceeding, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. Whenever the approval or consent of either Seller or Buyer is required under this Agreement, such consent will not be unreasonably withheld, conditioned, and/or delayed.

11.7 Entire Agreement; Interpretation. This Agreement contains the entire understanding of the parties regarding the subject matter of this Agreement and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of

this Agreement. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement. If a date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. For purposes of this Agreement, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's). For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and effective as of the Effective Date.

SELLER:
Joan Kay Rohm

BUYER:
City of John Day,
an Oregon municipal corporation

Please Print: _____

By: _____
Its: _____

Appendix A
Definitions

“Agreement” has the meaning assigned to such term in the preamble.

“Brokerage Commission” means \$6,000.00.

“Buyer” has the meaning assigned to such term in the preamble.

“Closing” means the closing of the Transaction.

“Closing Cost(s)” mean the following: (a) Title Company’s standard escrow fees and the recording fees for the Warranty Deed; (b) costs of the Title Insurance; and (c) the Brokerage Commission.

“Closing Date” means the date upon which the Closing occurs.

“Closing Document(s)” means the following: (a) Warranty Deed; (b) Estoppel Certificates; (c) Commercial Leases; and (d) all other documents and instruments identified under this Agreement and/or reasonably required by Buyer.

“Commercial Lease(s)” means certain commercial lease agreements between Tenants and Buyer concerning the Tenants’ respective leased premises, which commercial leases will be in form and substance satisfactory to Buyer and will be binding and effective as of the day after the Closing Date; provided, however, the Commercial Leases will not include a commercial lease with Win Kirpatrick.

“Cure Period” has the meaning assigned to such term under Section 10.4.

“Damage(s)” means all claims, liabilities, obligations, costs, and expenses, including, without limitation, attorney fees and costs.

“Default Notice” has the meaning assigned to such term under Section 10.4.

“Drop-Dead Date” means November 30, 2016.

“Due Diligence Period” has the meaning assigned to such term under Section 5.

“Earnest Money” means \$10,000.00.

“Effective Date” has the meaning assigned to such term in the preamble.

“Encumbrance(s)” means any lien, mortgage, pledge, security interest, reservation, restriction, adverse claim, and/or other encumbrance.

“Environmental Law(s)” means all applicable federal, state, and/or local statutes, regulations, and/or ordinances, and/or any judicial or other governmental orders pertaining to the protection of health, safety, and/or the environment.

“Estoppel Certificate(s)” mean certain estoppel certificates executed by each Tenant containing terms and conditions reasonably acceptable to Buyer, including, without limitation, statements concerning the date and term of the subject Lease, whether the Lease has been amended, the amount of the then-current rent, the amount of any security deposits, and whether either Seller or Tenant is currently in default (and if so, the nature of the default).

“Hazardous Substance(s)” means any hazardous or toxic substance, material, and/or waste, including, without limitation, the following: (a) any hazardous or toxic substance, material, and/or waste that is defined as such under any environmental law; and/or (b) petroleum, petroleum products, asbestos, presumed asbestos-contaminating materials, asbestos-contaminating materials, urea formaldehyde, and polychlorinated biphenyls.

“Inspection Notice” means that certain Inspection Notice dated May 10, 2017 from the State of Oregon Office of State Fire Marshal concerning a fire and life safety inspection performed on and at the Real Property.

“Kirpatrick Lease” means that certain lease agreement between Seller and Win Kirpatrick concerning certain premises located in the Real Property’s second floor.

“Knowledge” means the actual knowledge of Seller (and/or its personal representative) and any knowledge that Seller (and/or its personal representative) would have obtained if Seller (and/or its personal representative) had conducted a reasonably comprehensive investigation of the relevant matter.

“Law(s)” means all applicable laws, statutes, ordinances, codes, regulations, orders, rules, covenants, conditions, easements, declarations, leases, liens, and restrictions affecting or concerning the ownership, use, condition, maintenance, leasing, and/or operation of the Property, including, without limitation, all Environmental Laws and the Oregon Residential Landlord and Tenant Act (ORS Chapter 90).

“Lease(s)” mean the leases between Seller and Tenants as of the Effective Date and which are identified in the Rent Roll.

“Licensee(s)” has the meaning assigned to such term in Section 2.5.

“Permitted Closing Encumbrance(s)” means the following: (a) with respect to the Real Property, that certain sewer line easement recorded on March 5, 1956 in the Grant County Official Records as Book 74, Page 156; and (b) with respect to the Real Property, that certain easement for ingress and egress access dated _____ and recorded on August 14, 1990 in the Grant County Official Records as Instrument No.: 900295.

“Property” means (a) the Real Property, (b) subject to the terms of this Agreement, Seller’s rights to prepaid expenses, deposits, refunds, and offsets, (c) Seller’s contract rights under the Leases, d) Seller’s plans and specifications, building permits, and other permits concerning the Real Property; (e) Seller’s licenses, permits, registrations, and other governmental authorizations concerning the Real Property, together with all applications for governmental authorizations; and (f) all built-in appliances, floor coverings, window and door screens, storm doors and windows, irrigation, plumbing, ventilation, cooling and heating fixtures and equipment, water heaters, attached electrical fixtures, window coverings, awnings, attached television antenna, planted shrubs, plants, and trees.

“Preliminary Commitment” means that certain Preliminary Title Report dated September 15, 2017, Order No.: 25735, issued by Land Title Company of Grant County, Inc., which title reports identifies the condition of title to the Real Property.

“Purchase Price” has the meaning assigned to such term under Section 2.1.

“Real Property” has the meaning assigned to such term in the Recital.

“Rent Roll” means the rent roll provided as part of Schedule 3.3 and includes, without limitation, the following information: (a) the name of each Tenant and the premises leased by the Tenant; (b) the date of the Tenant’s Lease, including the date of any amendments to the Lease; (c) the term of the Lease, including any options to renew the term of the Lease; (d) the rent and other payments payable by the Tenant under the Lease; (e) the date through which the Tenant has paid all rent under the Tenant’s Lease; and (f) the amount of any existing security or other deposits that the Tenant has paid to Seller.

“Representative(s)” means each present and future officer, member, manager, employee, agent, contractor, and/or authorized representative of the identified party.

“Retained Liabilities” means all claims, liabilities, obligations, costs, and expenses arising out of or related to the Property, whether arising before, on, and/or after the Closing Date, including, without limitation, all claims, liabilities, obligations, costs, and expenses arising out of or related to the Leases.

“Seller” has the meaning assigned to such term in the preamble.

“Tenant(s)” means the tenants under the Leases.

“Title Company” means Land Title Company of Grant County, Inc., 145 NE Dayton Street, John Day, Oregon 97845.

“Title Insurance” means a standard form ALTA Owner’s Policy of Title Insurance issued to Buyer that (a) covers the Real Property in the amount of the Purchase Price, (b) does not contain any exception that is not a Permitted Closing Encumbrance and Title Company’s standard preprinted exceptions which are approved by Buyer, and (c) is in form and substance reasonably satisfactory to Buyer.

“Transaction” means the purchase and sale of the Property as provided under this Agreement.

“Transfer” means (a) any transfer, including, without limitation, any sale, conveyance, exchange, gift, lease, encumbrance, foreclosure of an encumbrance, or attachment, regardless of whether the transfer occurs voluntarily or involuntarily, by operation of law, or because of any act or occurrence, and (b) any agreement involving the ownership, lease, and/or use of all or any portion of the Property.

“Warranty Deed” means the warranty deed conveying the Real Property to Buyer, which Warranty Deed will not contain any Encumbrance that is not a Permitted Closing Encumbrance and will otherwise be in form and substance acceptable to Buyer.

Exhibit A
Legal Description

The Real Property is legally described as follows:

[insert legal]

DRAFT

Schedule 3.3
Leases and Rent Roll

[attached]

DRAFT

Schedule 3.4
Property Conditions

[attached]

DRAFT