

PURCHASE AND SALE AGREEMENT
(Weaver Building)

This Purchase and Sale Agreement (this "Agreement") is dated October ____, 2019, but made binding and effective for all purposes as of the Effective Date (as defined below), between City of John Day ("Seller"), an Oregon municipal corporation, whose address is address is 450 East Main Street, John Day, Oregon 97845, and Tyler Sheedy Construction, Inc. ("Buyer"), an Oregon corporation, whose address is 300 NW Charolais Drive, John Day, Oregon 97845.

RECITAL:

Seller owns that certain real property (and all fixtures and improvements located thereon, if any) commonly known as 135 W Main Street, John Day, Oregon 97845, which real property is more particularly described on the attached Exhibit A (collectively, the "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 covenants 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 contained in this Agreement have the meanings assigned to them in the attached Appendix A.

2. Sale of Property.

2.1 Purchase; Assumed Liabilities. Subject to the terms and conditions contained in this Agreement, at the Closing Buyer will purchase the Property from Seller and Seller will sell the Property to Buyer. The purchase price for the Property is \$125,000.00 (the "Purchase Price"), plus Buyer's assumption of the Assumed Liabilities.

2.2 Earnest Money. Within ten (10) 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. This Agreement will automatically terminate without further act of the parties if the Earnest Money is not timely deposited by Buyer.

2.3 Payment of Purchase Price. At the Closing, the Purchase Price will be paid as follows: (a) the Earnest Money will be paid to Seller and credited against the Purchase Price; and (b) Buyer will pay the balance of the Purchase Price (\$_____) pursuant to the terms of the Promissory Note. Buyer will timely pay the remaining balance of the Purchase Price in accordance with the Promissory Note. Buyer's obligations to Seller under the Promissory Note will be secured by a security interest in the collateral described in the Trust Deed.

2.4 Proration; Allocation. All 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 Closing to the extent possible. The proration of any remaining items and expenses will be made as soon as practicable after the Closing Date. Seller will pay the standard escrow fees charged by Title Company. Seller will pay the costs of the Title Insurance.

2.5 Assumed Liabilities. At the Closing, Buyer will assume the Assumed Liabilities. Buyer will timely pay and perform the Assumed Liabilities.

[Are tenants still occupying all or a part of the building? If so, the tenancies should be addressed in the sale agreement.]

3. Seller Representations; Warranties; Covenants.

Except for the express representations and warranties contained in this Agreement, Seller expressly excludes all warranties with respect to the Property and/or Transaction, express and implied, including, without limitation, warranties of merchantability, fitness for a particular purpose, and/or any warranties that may have arisen from course of dealing and/or usage of trade. Subject to the immediately preceding sentence, Seller represents and warrants to Buyer as follows:

3.1 Authority; Binding Obligation; No Conflicts. Seller has full power and authority to sign and deliver this Agreement and to perform Seller's obligations under this Agreement. Seller's execution, delivery, and performance of this Agreement constitutes a valid and binding agreement against Seller. Seller's execution, delivery, and performance of this Agreement will not result in a breach or violation of, or constitute a default under, any agreement, law, judgment, and/or order.

3.2 Title; Brokers; Non-Foreign Person. Seller will transfer and convey the Property to Buyer free and clear of all Encumbrances except for the Permitted Encumbrances. 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 in connection with this Agreement or the Transaction. Seller is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code.

4. Buyer Representations; Warranties; Covenants.

Buyer represents, warrants, and covenants to Seller as follows:

4.1 Authority; Binding Obligation. Buyer has full power and authority to sign and deliver the Transaction Documents and to perform all Buyer's obligations under the Transaction Documents. Buyer's execution, delivery, and performance of the Transaction Documents constitutes valid and binding agreements of Buyer. Buyer's execution, delivery, and performance of the Transaction Documents will not result in a breach or violation of, or constitute a default under, any agreement, law, judgment, and/or order, and/or require the consent, authorization, and/or approval of any person, including, without limitation, any governmental body. Buyer's representations and/or warranties do not contain any untrue statement of material fact and/or omit or misstate a material fact necessary to make the statements contained herein not misleading.

4.2 Sophistication. Buyer is a licensed Oregon general contractor under CCB License No. 195176. Buyer has knowledge and experience in real estate and construction matters necessary to make Buyer capable of evaluating the merits and risks of entering into this Agreement, the Property, and Buyer's purchase of the Property. Buyer has had the opportunity to ask questions and receive answers concerning the Property, the Transaction Documents, the Transaction, and all other information deemed necessary or appropriate by Buyer concerning Buyer's purchase of the Property and the Transaction. Buyer has obtained all the information Buyer desires in connection with the Property and the Transaction.

Buyer Initials: _____

4.3 Due Diligence. Buyer has entered into this Agreement based on its own examination, personal knowledge, and opinion of the value of the Property. Buyer has had an adequate opportunity to make such legal, factual, and other inquiries and investigations as Buyer deems necessary, desirable, and/or appropriate with respect to the Property and/or Transaction, including, without limitation, the Property's physical condition and the presence of any Hazardous Substances on or about the Property.

Buyer Initials _____

5. Property Conditions; Property AS-IS; Due Diligence.

5.1 Property Conditions. Buyer acknowledges and agrees to the following: (a) the Property may contain structural, environmental, and other conditions; (b) it is advisable to have the Property inspected by a qualified professional(s) relating to such matters as structural conditions, soil conditions/compaction, stability, environmental issues, survey, zoning, and suitability of the Property for Buyer's intended purpose; and (c) Seller has made no promise or agreement to repair, alter, construct, and/or improve the Property, or any part thereof. Buyer has had the opportunity to ask questions and receive answers concerning Property conditions, including, without limitation, the Inspection Report and all other information deemed necessary or appropriate by Buyer concerning Buyer's purchase of the Property and the Transaction.

5.2 Property Sold AS-IS. **BUYER ACKNOWLEDGES THAT BUYER IS BUYING THE PROPERTY "AS IS" AND WITH ALL FAULTS AS OF CLOSING WITH RESPECT TO ALL FACTS, CIRCUMSTANCES, CONDITIONS, AND/OR DEFECTS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, AND/OR STATUTORY, OF ANY KIND WHATSOEVER, BY SELLER AND/OR SELLER'S AGENTS, BROKERS, CONSULTANTS, COUNSEL, EMPLOYEES, OFFICERS, DIRECTORS, MANAGERS, MEMBERS, PARTNERS, TRUSTEES, AND/OR BENEFICIARIES. SELLER HAS NO OBLIGATION TO REPAIR OR CORRECT ANY SUCH FACTS, CIRCUMSTANCES, CONDITIONS, AND/OR DEFECTS. BUYER ACKNOWLEDGES THAT SELLER DISCLAIMS THE FOLLOWING AS TO THE PROPERTY (INCLUDING BOTH REAL AND PERSONAL PROPERTY): (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS. IF THE CLOSING OCCURS, BUYER ACKNOWLEDGES TO SELLER THAT BUYER HAS FULLY INSPECTED THE PROPERTY AND EACH PORTION THEREOF AND BUYER ASSUMES THE RESPONSIBILITY AND RISKS OF ALL DEFECTS AND CONDITIONS, IF ANY, THAT CANNOT BE OBSERVED BY CASUAL INSPECTION. BUYER IS MAKING BUYER'S OWN DETERMINATION REGARDING THE VALUE OF THE PROPERTY AND POTENTIAL DEVELOPMENT AND/OR USE OF THE PROPERTY. BUYER AND SELLER ACKNOWLEDGE THAT THIS DISCLAIMER HAS BEEN SPECIFICALLY NEGOTIATED.**

Buyer's Initials _____

5.3 Due Diligence. Buyer will have 30 days commencing from the Effective Date (the "Due Diligence Period") within which to complete an inspection and examination of the Property. This inspection and examination may include, without limitation, an inspection and examination of the following: (a) the Property's physical condition; (b) the 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, and/or any other documentation concerning the Property. Seller will, at no cost and expense to Seller, 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 5.3.

6. Closing.

6.1 Closing. Subject to Section 5.3, Closing will take place on or before November ____, 2019 at the offices of Title Company or any other place or time thereafter that the parties may mutually agree upon in writing; provided, however, in no event will Closing occur after the Drop-Dead Date. If Closing does not occur on or before the Drop-Dead Date, this Agreement will be deemed terminated, the Earnest Money will be returned to Buyer, and thereafter neither party will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction; provided, however, if the Closing did not occur because of a default by Seller or Buyer, the non-defaulting party will have all rights and remedies available under this Agreement.

6.2 Buyer – Closing Obligations. At the Closing, Buyer will deliver (or caused to be delivered) to Seller the following: (a) the Down Payment by cash, cashier's check, or wire transfer to an account specified by Seller; (b)

the Promissory Note signed by Buyer; (c) the Trust Deed signed by Buyer; (d) a certified check signed by Buyer for prorated expenses with respect to the Property, if applicable, to the extent that the prorations can be made on the Closing Date; and (e) such other consents, deeds, bills of sale, certificates of title, assignments, and other documents that Buyer and Seller mutually agree is necessary or appropriate to consummate the Transaction, in form and substance mutually and reasonably satisfactory to Buyer and Seller.

6.3 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 Tenant security deposits (if any) under the Leases and any prorated expenses with respect to the Property to the extent that pro-rations may be made at the Closing; (c) a certified check signed by Seller for prorated expenses with respect to the Property, if applicable, to the extent that the prorations can be made on the Closing Date; (d) exclusive possession of the Property, except for the tenancies created under the Leases; (e) a commitment from Title Company to issue the Title Insurance to Buyer; and (f) such other consents, deeds, bills of sale, certificates of title, assignments, and other documents that Buyer and Seller mutually agree is necessary or appropriate to consummate the Transaction, in form and substance mutually and reasonably satisfactory to Buyer and Seller.

6.4 Title Insurance; Warranty Deed. Within ten (10) days after the Closing Date, Title Company will furnish Buyer with the Title Insurance at Seller's cost and expense. On the Closing Date, Seller will execute and deliver the Warranty Deed to Buyer.

6.5 Condemnation; Risk of Loss. Notwithstanding anything contained in this Agreement to the contrary, Buyer has the option to terminate this Agreement (and the Transaction) by written notice to Seller if, prior to the Closing, (a) the Property is taken by condemnation, eminent domain, and/or is the subject of a pending or contemplated taking which has not been consummated, and/or (b) the Property is destroyed. If Buyer terminates this Agreement under this Section 6.5, the Earnest Money will be returned to Buyer and thereafter neither party will have any further rights, remedies, and/or obligations with respect to the Property, each other, and/or this Transaction. 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 Property subject to the taking or loss without reduction in Purchase Price.

7. Default; Indemnification.

7.1 Default. Subject to the terms and conditions contained in this Agreement, a party will be in default under this Agreement (and all other Transaction Documents) if the party breaches and/or otherwise fails to perform any of the party's representations, warranties, covenants, and/or obligations contained in this Agreement, time of payment and performance being of the essence. Upon the occurrence of default, the non-defaulting party will have all rights and remedies available under this Agreement (and all other Transaction Documents), at law, and/or in equity, including, without limitation, the right of specific performance. All available remedies are cumulative and may be exercised singularly or concurrently. Seller acknowledges and agrees that the remedies available at law for any Seller default under this Agreement will, by their nature, be inadequate. Accordingly, Buyer may obtain injunctive relief or other equitable relief to restrain a default or threatened default of this Agreement or to specifically enforce this Agreement, without proving that any monetary damages have been sustained.

7.2 Release and Indemnification. Buyer releases and will defend, indemnify, and hold Seller and Seller's Representatives harmless for, from, and against all claims, actions, proceedings, damages, liabilities, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of, whether directly or indirectly, the following: (a) Buyer's occupancy, possession, repair, maintenance, ownership, and/or use of the Property, including, without limitation, use of the Property by any contractor, representative, tenant, and/or invitee of Buyer and/or any other person; (b) the exercise of any remedy available to Seller under this Agreement; (c) any inaccuracy of any Buyer representation, warranty, and/or

covenant made in this Agreement; and/or (d) Buyer's breach and/or failure to perform any Buyer representation, warranty, covenant, and/or obligation contained in this Agreement.

7.3 Hazardous Substances – Buyer Indemnification. Buyer releases and will defend, indemnify, and hold Seller and Seller's Representatives harmless for, from, and against any response, removal, and/or remedial costs which may be assessed against Buyer, Seller, and/or Seller's Representatives by any federal or state governmental authorities and/or any other person, whether known or unknown, resulting from or arising out of, whether directly or indirectly, the following: (a) the presence of any Hazardous Substances on the Property; (b) any Hazardous Substance spilled, discharged, and/or otherwise released on or into the Property; and/or (c) Buyer and/or Buyer's Representatives activities on the Property involving the use, storage, handling, transportation, treatment, disposal, and/or release of any Hazardous Substances. The foregoing indemnity will include, without limitation, all costs and expenses incurred by Seller and/or Seller's Representatives for attorneys employed to defend any such claim whether before or after initiation of a formal lawsuit or administrative proceeding.

8. Post-Closing Development Obligations.

[Discuss with Nick; City should include Buyer's development obligations in the sale agreement and/or a separate development agreement.]

9. Miscellaneous.

9.1 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.

9.2 Expenses; Notices. 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. Any notice required under this Agreement must be in writing. Any notice will be deemed given when personally delivered or delivered by email or facsimile 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.

9.3 Time of Essence; No Assignment; Binding Effect. 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. Notwithstanding anything

contained in this Agreement to the contrary, this Agreement will not be construed to create third party beneficiary rights or remedies in any party whatsoever, including, without limitation, Corporation.

9.4 Amendment; Waiver; Severability; Attorney Fees. 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. If any arbitration, action, suit, or proceeding is instituted to interpret, enforce, 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.

9.5 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, covenants, and other obligations contained in this Agreement and all Transaction Documents will survive the Closing and will not merge with or into the Warranty Deed.

9.6 Attachments; Governing Law. Any exhibits, schedules, and other attachments referenced in this Agreement are part of this Agreement. 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.

9.7 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.

9.8 Legal Representation. Buyer has employed the law firm of Bryant, Lovlien & Jarvis, P.C., Bend, Oregon ("Law Firm") to prepare this Agreement and the Transaction Documents. Law Firm represents only Buyer in connection with this Agreement and the Transaction Documents. Seller has thoroughly reviewed this Agreement (and the Transaction Documents) with counsel of Seller's choosing or has knowingly waived the right to do so. The rule of construction that a written instrument is construed against the party preparing or drafting such

instrument will specifically not be applicable in the interpretation of this Agreement and any documents executed and delivered pursuant to, or in connection with, this Agreement.

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

SELLER:
City of John Day,
an Oregon municipal corporation

BUYER:
Tyler Sheedy Construction, Inc.,
an Oregon corporation

By: _____

By: _____

Dated: October __, 2019

Dated: October __, 2019

Appendix A
Definitions

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

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

“Closing” means the closing of the Transaction.

“Closing Date” means the date on which the Closing takes place.

“Damages” means all claims, actions, proceedings, damages, liabilities, obligations, costs, attorney fees, and expenses of every kind or nature, including, without limitation, environmental remediation costs and expenses, whether known or unknown.

“Drop-Dead Date” means _____.

“Due Diligence Period” has the meaning assigned to such term under Section 5.2.

“Effective Date” has the date upon which this Agreement is fully executed by the parties.

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

“Environmental Law(s)” means any federal, state, and/or local statute, regulation, and/or ordinance, or any judicial or other governmental order pertaining to the protection of health, safety, or the environment and/or designed to minimize, prevent, punish, or remedy the consequences of actions that damage or threaten the environment or public health and safety, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq., ORS 468B.195-197 (including any regulations promulgated thereunder), the Hazardous Materials Transportation Act, 49 U.S.C. §§1801 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq.

“Hazardous Substance(s)” means any hazardous, toxic, infectious, and/or radioactive substance, waste, and/or material as defined, controlled, and/or listed by any Environmental Law, including, without limitation, petroleum oil and its fractions.

“Law(s)” means all federal, state, and local laws, statutes, ordinances, codes, regulations, orders, rules, covenants, conditions, easements, declarations, leases, liens, and/or restrictions directly or indirectly affecting or concerning the ownership, use, condition, maintenance, leasing, and/or operation of all or any part of the Property, including, without limitation, all Environmental Laws.

“Permitted Encumbrance(s)” means the following: (a) those Encumbrances identified in the Title Report; and (b) any lien, mortgage, pledge, security interest, or other encumbrance arising by operation of law for taxes, assessments, or government charges not yet due.

“Property” has the meaning assigned to such term under Recital A.

“Promissory Note” means that certain Secured Promissory Note dated as of the Closing Date made by Buyer in favor of Seller in the original principal amount of \$_____ in form and substance acceptable to Seller and containing the following general payment terms: (a) a term of 20 years, commencing on the Closing Date; (b) interest will accrue at an annual rate of 4.0% during the first 5 years; (c) interest will accrue at an annual rate of 7.0% during the remaining 15 years; (d) payments will be interest only for the first 5 years; (e) all remaining

payments (after the first 5 years) will consist of principal and accrued interest; and (e) prepayment will be permitted.

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

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

“Title Report” means _____.

“Transaction” means the purchase and sale of the Property, all as provided in this Agreement.

“Transaction Documents” means this Agreement, Warranty Deed, Promissory Note, and Trust Deed.

“Trust Deed” means that certain trust deed, assignment of leases and rents, and security agreement made by Buyer in favor of Seller to secure Buyer’s payment obligations under this Agreement and the Promissory Note.

“Warranty Deed” means a statutory warranty deed conveying the Property to Buyer free and clear of all Encumbrances except the Permitted Encumbrances, which Warranty Deed will be in form and substance satisfactory to Buyer.

Exhibit A
Legal Description

The Property is legally described as follows:

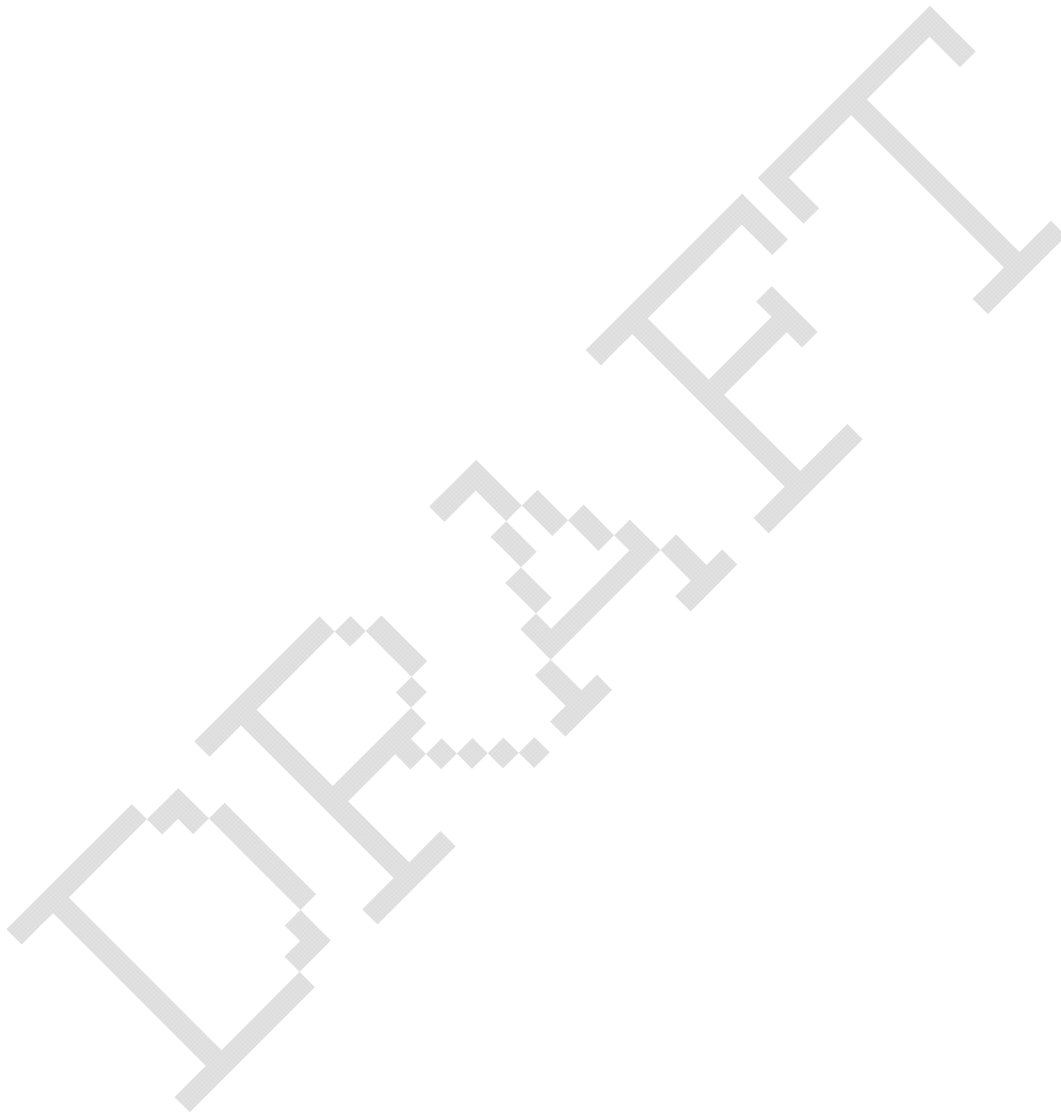


Exhibit B
Promissory Note

[attached]

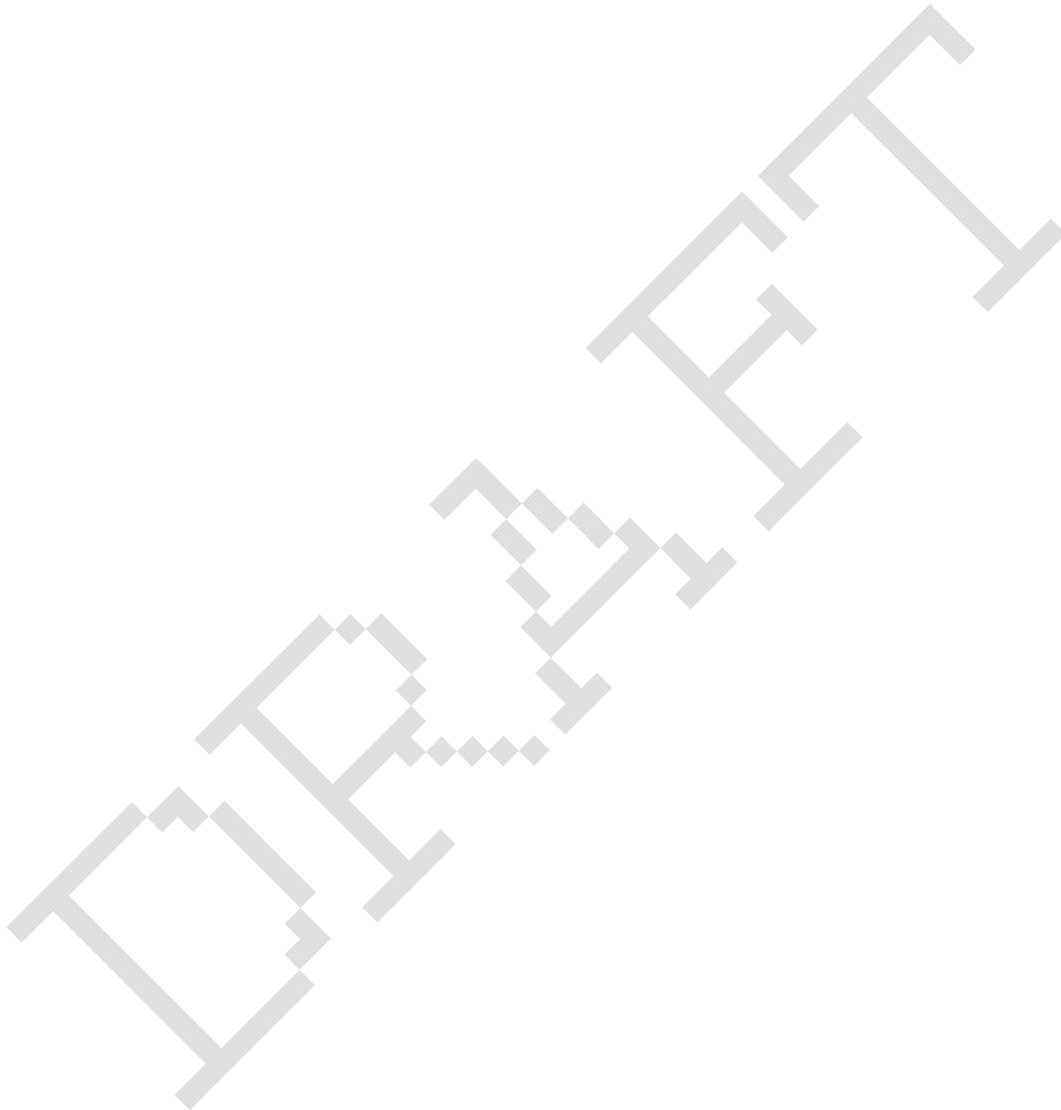


Exhibit C
Trust Deed

[attached]

