

**PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS**

THIS PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("Contract") is made as of the last date of signatures indicated below ("Effective Date"), by and between the City of Woodburn, a municipal corporation ("Seller") and Novera, LLC, an Oregon limited liability company ("Buyer").

WHEREAS, Seller desires to sell real property, located at 347 N. Front Street in Woodburn, Oregon, to Buyer, and Buyer desires to purchase said property of Seller;

The parties agree as follows:

AGREEMENT

1. Purchase and Sale, Price, and Payments.

1.1. Purchase and Sale of Property. For and in consideration of the Total Purchase Price (as defined in Section 1.2) and the mutual promises, covenants, representations, and warranties contained in this Agreement, Seller shall sell and convey, and the Buyer shall purchase the real property, together with all buildings, fixtures, and improvements, located at 347 N. Front Street, Woodburn, Oregon, legally described in Exhibit A (the "Property").

1.2. Total Purchase Price. The Total Purchase Price for the Property is Four Hundred Thousand Dollars (\$400,000), payable as follows:

1.2.1. Initial Deposit. Within two (2) business days of execution of this Contract, Buyer shall deposit the sum of Five Thousand Dollars (\$5,000) into Escrow with First American Title Company ("Escrow Agent"). The Initial Deposit will be held in an interest-bearing, federally insured account with all interest credited for the benefit of the Buyer, and applied in accordance with the terms of this Contract (see Section 2).

The Initial Deposit will be returnable to the Buyer, if, on or before the Closing Date (as defined in Section 2.2), the Buyer provides written notice to the Seller that the Buyer has determined not to go forward with the purchase of the Property, and in such case, this Contract terminates and will have no further force or effect. Upon written notice of termination, the Escrow Agent shall be instructed to immediately release the Initial Deposit made by Buyer and return it to Buyer.

1.2.2. Down Payment. On or before the Closing Date (as defined in Section 2.2), Buyer shall pay the sum of One Hundred Thousand Dollars (\$100,000), less the Initial Deposit amount, as a Down Payment on the Total Purchase Price.

1.2.3. Purchase Money Mortgage Carried by Seller Amortized with Balloon Payment. Interest on the remaining balance of Three-Hundred Thousand Dollars (\$300,000)

(the "Unpaid Balance") will accrue at the rate of four percent (4%) per annum, computed monthly from November 1, 2016.

The Unpaid Balance is payable in consecutive monthly installments of One Thousand Eight Hundred Seventeen and 94/100 Dollars (\$1,817.94), beginning on the first (1st) day of November, 2016, with subsequent payments due monthly thereafter until said balance and interest is paid in full, or until the first (1st) day of May, 2021, at which time the entire remaining balance plus accrued interest shall become due and payable ("Balloon Payment"). The monthly payment amount is calculated based on a twenty (20) year amortization schedule (see Exhibit B).

- 1.2.4. Balloon Payment Contingency. If Buyer is unable to independently make the final Balloon Payment, Buyer shall make a "good faith" effort to obtain third-party financing to cover the Balloon Payment amount. Under such circumstances, submitting mortgage loan applications to multiple lenders at least ninety (90) days prior to when the Balloon Payment becomes due constitutes evidence of a "good faith" effort. In the event that Buyer is unable to secure satisfactory financing, Seller shall make reasonable accommodation to renegotiate or restructure the loan with the Buyer. This renegotiation or restructuring could include, but is not limited to, extending the maturity date of the balloon payment, increasing the interest rate on the Unpaid Balance, or modification to the financial covenants in this Agreement.
- 1.3. No Prepayment Penalty. Buyer may prepay all or any portion of the Unpaid Balance of the Total Purchase Price without penalty. Seller will apply any prepayment first to any accrued but unpaid interest to date, then to any amounts due Seller under this Contract other than principal or interest, then to the last installment of principal scheduled under this Contract. A prepayment will not excuse Buyer from making the regular monthly payments when due under this Contract until the remaining balance has been paid in full. This paragraph does not apply to any payments due under this Contract that are accelerated because of Buyer's default under any of the provisions of this Contract.
- 1.4. Third-Party Payments. If Buyer fails to pay when due any amounts it is required to pay to third parties under this Contract, including insurance premiums, Seller may, in its sole discretion, pay any or all such amounts directly to such third parties or otherwise act to cure any such failure. If Seller makes these payments, Buyer shall immediately pay Seller the full amount of such payments. This Contract will secure such amounts until Seller pays them and they will be added to the principal balance due under this Contract. Any payments Seller elects to make pursuant to this subsection will not constitute a waiver of Seller's right to declare Buyer to be in default of this Contract and to exercise any remedies available to Seller.
- 1.5. Place of Payments. Buyer shall make all payments due Seller at Woodburn City Hall 270 Montgomery Street, Woodburn, OR 97071. Buyer may either pay in person at said location or via U.S. Mail. If by mail, payments must be received on the due date.

2. Escrow and Closing.

- 2.1. Opening of Escrow. Buyer shall open an escrow at the offices of First American Title Company at 681 Glatt Circle, Woodburn, Oregon. Upon mutual execution of this Contract, Buyer and Seller shall deliver a fully executed copy of the Contract to Escrow Agent. Buyer and Seller shall share the cost of the escrow equally, per standard escrow protocol.
- 2.2. Closing Date. This transaction will close within 15 days after satisfaction or waiver of the Buyer's conditions to closing set forth in Section 3.1 below ("Closing Date"), and no later than May 20, 2016, at Woodburn City Hall, 270 Montgomery Street, Woodburn, OR 97071. Prior to the Closing Date, each party shall deposit with the Escrow Agent the funds, documents, and instructions necessary for Closing to occur.

3. Conditions to Closing.

- 3.1. Buyer's Conditions to Closing. Close of escrow and Buyer's obligation to purchase the Property pursuant to this Contract are subject to the satisfaction of the following conditions at or prior to the Closing:
 - 3.1.1. Title. By the Closing Date, Seller shall provide Buyer with title to property free and clear of liens except for non-delinquent bonds and taxes.
 - 3.1.2. Title Insurance. By the Closing Date, Buyer should be able to attain from the Escrow Agent a policy of title insurance in the full amount of the Total Purchase Price, showing good and marketable title vested in the Buyer, subject only to such exceptions to title as have been approved by Buyer prior to the Closing Date.
 - 3.1.3. Condition of the Property. The Property has not been affected by any development, building, construction, flood, or moratoria prior the Closing Date.

If any of the conditions to Buyer's obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the escrow, terminate this Contract, and recover any amounts, including the Initial Deposit and any interest earned thereon, paid by Buyer to the Escrow Agent toward the Total Purchase Price. Escrow Agent shall immediately release the deposit to Buyer without further instruction from Seller.

- 3.2. Seller's Conditions to Closing. Close of escrow and Seller's obligation to sell the Property pursuant to this Contract, are subject to the satisfaction by Buyer of Buyer's obligations under this Contract, including, but not limited to, Buyer's obligation to deliver the Initial Deposit and the Down Payment on or before the Closing Date. If Buyer has failed to fulfill its obligations under this Contract, at or before the Closing Date, through no fault of Seller, then Seller may cancel the escrow, terminate this Contract, and recover any documents delivered to the Escrow Agent pursuant to this Contract. Escrow Agent shall immediately release the deposit to Seller without further instruction from Buyer.

4. Possession and Tenancies.

4.1. Buyer's Right to Possession. Buyer will be entitled to possession of the Property from and after the Closing Date. Seller's interest in the Property is security for payment of balance owed Seller, and for performance of all terms and conditions to be performed by Buyer in accordance with this Contract. Notwithstanding Buyer's right to possession, Seller and Seller's agents may enter on and inspect the Property at reasonable times with not less than seven (7) days prior written notice to Buyer.

4.2. Leases.

4.2.1. On the Closing Date, Seller shall deliver possession of the Property to Buyer free of any tenancies and leases on the Property.

4.2.2. Buyer may lease the Property provided that Buyer and Lessee comply with all applicable local, state and federal laws during the lease term. Prior to leasing, Buyer must inform Seller of the lessee's name and contact information. Any lease agreement must contain a clause prohibiting a sublease without the express written consent of the City, which will not be unreasonably withheld.

4.2.3. All leases and subleases must contain a clause stating that in the event that Buyer defaults on this Agreement with the Seller, the lease terminates and lessees must vacate the property within fifteen (15) days.

4.2.4. Buyer agrees to indemnify, hold harmless and defend Seller for any damages arising from or related to the termination of any lease or sublease as a result of Buyer's default of this Agreement.

5. Condition of Property. Excepting only the specific representations and warranties of Seller contained in **Section 9** this Contract, all of which shall survive closing and shall not merge with the deed, Buyer accepts the land, buildings, improvements, any personal property sold under this Contract, and all other aspects of the Property in their present condition, AS IS, WHERE IS, including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except for such warranties that may arise by law under the Deed and except as otherwise specifically set forth in this Contract. Buyer agrees that Buyer has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property, its suitability for Buyer's purposes, and the applicable zoning, building, housing, and other regulatory ordinances and laws affecting the Property. Buyer accept the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property. Except for such warranties that may arise by law under the Deed and except as otherwise specifically stated in this Contract, Seller has made no representations with respect to such condition or suitability of the Property or such laws or ordinances.

6. Maintenance and Alteration.

- 6.1. Maintenance. Buyer shall keep all buildings, other improvements, and landscape now existing or that will be placed on the Property in good condition and repair, and will not permit any waste or removal of any improvements, nor make any substantial improvements or alterations without the prior written consent of Seller, which will not be unreasonably withheld.
- 6.2. Improvements. If Buyer desires to alter or further improve all or any portion of the Property, Buyer shall obtain Seller's written consent, which will not be unreasonably withheld, before proceeding to do or permit any work or to order any services or materials with respect to that work. Seller may reasonably require Buyer to present Seller with site plans, relevant drawings, schedules, and cost estimates for the proposed alteration or improvement. As a condition of granting its consent, among other conditions, Seller may require Buyer to provide a construction and completion bond or other similar security in an amount and of a nature satisfactory to Seller to cover the proposed costs of construction of the proposed alterations or improvements. All alterations and improvements constructed by or for Buyer must be completed by reputable Oregon-licensed contractors without defects in conformance, lien-free, with plans, specifications, and drawings approved beforehand in writing by Seller as provided above, and in accordance with any necessary regulatory approvals. Seller's consent will not be a representation or warranty that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Buyer from strict compliance with all other provisions of this Contract and all applicable law.
- 6.3. Prohibited Activities. Buyer shall not use or permit the use of all or any of the Property for:
- 6.3.1. any "nuisance" as defined in ORS 105.555 and the Woodburn Nuisance Ordinance;
- 6.3.2. any illegal or unlawful use or activity; or
- 6.3.3. any act or omission on or about the Property that could subject the Property or Seller's or Buyer's interest in the Property to civil or criminal forfeiture or the risk of same.
- 6.4. Governmental Damage. If any governmental or other authority (other than the City of Woodburn) possessing the power of eminent domain physically damages or destroys the Property or any portion of it, and if the physical damage or destruction is not a compensable taking under the state or federal constitution, or is directly caused by an act or omission of Seller, Buyer shall promptly repair and restore the same at its expense. In the event of a compensable taking, the Seller shall assign and transfer all of its rights to receive proceeds from such taking and Buyer shall continue to make all regularly scheduled payments under this Contract.

- 6.5. Hazardous Substances. Buyer shall comply and shall cause all other persons to comply with all laws pertaining to the protection of human health and the environment, including but not limited to employee and community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of hazardous substances. Buyer shall exercise extreme care in handling any hazardous substances and shall not cause or permit hazardous substances to be spilled, leaked, disposed of, or otherwise released on the Property.
- 6.6. Compliance with Laws. Without limiting Buyer's duties under Section 6.5, Buyer shall promptly comply and shall cause all other persons to comply with all laws, ordinances, regulations, directions, rules, and other requirements of all governmental authorities applicable to the use or occupancy of the Property, and in this connection, Buyer will promptly make all required repairs, alterations, and additions.

7. Taxes and Liens.

- 7.1. Obligation of Buyer. Any ad valorem real and personal property taxes and any governmental or other assessments levied against the Property for the current tax year will be prorated between Seller and Buyer as of the Closing Date. As of the Effective Date, the parties are unaware of any taxes or assessments levied against the Property. Buyer shall pay when due all taxes and assessments that are levied against the Property after the Closing Date, subject to any right Buyer may have under law to elect to pay taxes and assessments in accordance with any available installment method.
- 7.2. Buyer's Right to Contest. If Buyer objects in good faith to the validity or amount of any tax, assessment, or lien, Buyer, at Buyer's sole expense, may contest the validity or amount of the tax or assessment or lien as long as Buyer's objection does not jeopardize Seller's security interest in the Property. Buyer must otherwise keep the Property free from all liens that may be imposed on the Property.
- 7.3. Tax Statements. Buyer shall provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid when due. Buyer shall submit this evidence no later than thirty (30) days after each required payment of taxes and assessments.
- 7.4. No Liens. Buyer shall pay when due all sums for labor, services, materials, or supplies which have been provided in connection with the Property. Buyer shall not encumber the Property, nor suffer or permit any liens to attach to all or any part of the Property by reason of any work, labor, services, or materials done for, or supplied to Buyer for all or any part of the Property. In the event that any such prohibited lien is filed due the action or inaction of Buyer, Buyer shall promptly pay the lien claim in full or, if it desires to contest the lien claim, secure a bond in an amount sufficient to cover the cost of removing the lien from the Property as required by ORS 87.076. Notwithstanding any notice and cure periods provided under Section 13.1 of this Contract, failure to remove the lien or furnish a bond acceptable to the Seller to cause the Property to be freed of the lien within thirty (30) days

of receipt of notice of the lien, will constitute an Event of Default under this Contract, and Seller may pursue any and all remedies provided under Section 13.2.

8. Insurance.

8.1. Property Damage Insurance. Buyer shall procure and maintain a policy of all-risk insurance with standard extended coverage endorsements on a replacement-cost basis covering all improvements on the Property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Seller and Buyer as their respective interests may appear. The policy must be written in such form with such terms and by such insurance companies reasonably acceptable to Seller. In the event of loss, Buyer shall give immediate notice to Seller. Seller may make proof of loss if Buyer fails to do so within 15 days of the casualty.

8.2. Liability Insurance. Buyer shall procure and maintain commercial general liability insurance with a combined single limit of not less than one million dollars (\$1,000,000) for each claim, incident or occurrence and not less than two million dollars (\$2,000,000) aggregate. Such insurance must be written on an occurrence basis and must be primary with respect to all other insurance covering any of the insured risks; must cover all risks arising directly or indirectly out of Buyer's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence. Such policies must be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller.

8.3. Personal Property Insurance. Buyer shall procure and maintain all risk property insurance, covering damage to or loss of any equipment or other personal property of Buyer and coverage for the full replacement cost, including business interruption of Buyer.

8.4. Report on Insurance. Not more than once a calendar year, Seller may require Buyer to provide it with a report on each existing policy of insurance required under this Contract showing:

8.4.1. the name of the insurer;

8.4.2. the risks insured;

8.4.3. the amount of the policy;

8.4.4. the property insured, its then-current replacement-cost and the method of determining that replacement cost; and

8.4.5. the expiration date of the policy.

8.5. Additional Insured and Primary Coverage. Seller must be named as an additional insured on each policy required under this Contract. All insurance to be procured and maintained by Buyer must be primary without any right of contribution from insurance of Seller. Any

umbrella liability policy or excess liability policy must provide primary insurance. The limits of insurance maintained by Buyer will not limit its liability under this Contract. Buyer shall deliver to Seller copies of the insurance policies required under Section 6, and such policies must contain a stipulation that coverage will not be canceled or diminished without a minimum of thirty (30) days written notice to Seller.

8.6. Application of Proceeds. All proceeds of any insurance on the Property must be paid in an escrow account Seller will establish in the event proceeds are disbursed. In accordance with the escrow agreement, Buyer shall use such proceeds to repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. Buyer will be entitled to retain any interest accrued on such proceeds while they are in the escrow account.

9. Representations and Warranties.

9.1. Title Covenant. Seller warrants that Seller is the sole owner of fee title to the Property, free of all liens and encumbrances and will defend such title from the lawful claims of persons claiming superior title.

9.2. Authority. Seller and Buyer represent and warrant that each has obtained all requisite authorizations for the execution and delivery of this Contract and the performance of the transactions contemplated by this Contract, and that the execution and delivery of this Contract are made pursuant to such authorizations. Seller is a validly existing municipal corporation pursuant to Oregon law and the City of Woodburn Charter.

9.3. Litigation. There are no pending claims or litigation or threats of claims or litigation or other matters of which Seller is aware that could adversely affect Buyer's title, use, or enjoyment of the Property.

9.4. Encroachments. To Seller's knowledge (a) all structures and improvements, including any driveways and accessory structures, are wholly within the lot lines of the Property, (b) no existing building, structure, or improvement of any kind encroaches upon the Property from any adjacent property, and (c) there are no present or past discrepancies or disputes regarding the boundaries of the Property.

9.5. Rights and Contracts Affecting Property. Except for this Contract, Seller has not entered into any other contracts for the sale of the Property, nor are there any existing rights of first refusal or options to purchase the Property. Except for those exceptions of record listed on the Title Report, Seller owns the Property in fee, free and clear of all liens, conditions, reservations, mortgages, leases, licenses, easements, prescriptive rights, permits, or other similar encumbrances. Seller has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights," or any other development or other rights or restrictions relating to the Property, and to Seller's knowledge no such rights encumber the Property. There are no service contracts or other agreements pertaining to the Property that Buyer will be required to assume at Closing.

- 9.6. Public Improvements or Governmental Notices. To Seller's knowledge, there are no intended public improvements which will result in the creation of any liens upon the Property, nor have any notices or other information been served upon Seller from any governmental agency notifying Seller of any violations of law, ordinance, rule or regulation which would affect the Property.
- 9.7. Compliance with Laws. Seller is not aware of and has not received notice of any past violation of any applicable federal, state, or local statutes, regulations, or ordinances.
- 9.8. Permits and Licenses. Seller holds no permits, authorizations, or licenses relating to or required for the operation of the Property. Seller shall cooperate with Buyer in obtaining any permits, consents, authorizations, or licenses necessary to operate the Property. However, Seller shall not be required to incur any expense relating thereto unless Buyer has first advanced funds sufficient to cover all Seller's reasonably anticipated out-of-pocket expenses. Furthermore, Seller shall promptly refund to Buyer any excess funds so advanced, and Buyer shall reimburse Seller for any shortfall in funds so advanced. Under no circumstances does this section or this Contract require or compel Seller acting in its governmental capacity to approve any permit, authorization, license or consent necessary for or desired by Buyer to use the Property.
- 9.9. Brokers. Seller and Buyer represent and warrant that each shall be responsible for any fee or commission due to any broker employed by either party in connection with this transaction and shall not be responsible for any portion of the other parties' broker fees or commission.

10. Indemnification.

- 10.1. Buyer's Indemnification of Seller. Buyer shall indemnify, reimburse, hold Seller harmless and, at Seller's election, defend Seller for, from, and against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with (1) Buyer's possession or use of the Property, (2) Buyer's conduct with respect to the Property, (3) any condition of the Property to the extent that the same arises from or after the Closing Date, or (4) Buyer's breach of any warranty or representation made by Buyer in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Buyer will defend Seller, Buyer shall, on notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller through legal counsel reasonably satisfactory to Seller.
- 10.2. Seller's Indemnification of Buyer. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, Seller shall indemnify, reimburse, hold Buyer harmless and, at Buyer's election, defend Buyer for, from, and against any and all claims, costs, expenses (including attorney fees), losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with (1) Seller's possession or use of the Property, (2) Seller's conduct with respect to the Property, (3) any condition of the Property

to the extent that the same exists prior to the Closing Date, or (4) Seller's breach of any warranty or representation made by Seller in this Contract. In the event of any litigation or proceeding brought against Buyer and arising out of or in any way connected with any of the above events or claims, against which Seller will defend Buyer, Seller shall, on notice from Buyer, vigorously resist and defend such actions or proceedings in consultation with Buyer through legal counsel reasonably satisfactory to Buyer.

- 10.3. Scope of Indemnification. Wherever this Contract obligates a party to indemnify, hold harmless, or defend the other party, the obligations will run to the invitees, agents, and directors, officers, agents, partners, employees and volunteers of such other party and will survive any termination or satisfaction of this Contract. Such obligations with respect to the acts or omissions of either party will include the acts or omissions of any director, officer, partner, agent, employee, volunteer, contractor, tenant, invitee, or permittee of such party.
11. Deed. Assuming Buyer pays Seller the Total Purchase Price for the Property as provided in this Contract and assuming Buyer has fully performed of all other terms, conditions, and provisions of this Contract, Seller shall deliver to Buyer legal title by way of a good and sufficient warranty deed conveying the Property.
12. Title Insurance. Buyer may purchase, at their sole expense, a Buyer's title insurance policy in the amount of the Total Purchase Price within 10 days after the Closing Date, insuring Buyer against loss or damage sustained by Buyer by reason of the unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies and those created or suffered by Buyer.
13. Default.
 - 13.1. Events of Default. Time is of the essence of this Contract. A default will occur under any of the following circumstances:
 - 13.1.1. Buyer's failure to make any payment when due.
 - 13.1.2. Buyer's failure to perform any other obligations contained in this Contract within ten (10) days after notice from Seller specifying the nature of the default or, if the default cannot be cured within ten (10) days, failure within such time to commence and pursue curative action with reasonable diligence, which in all such cases will be no longer than thirty (30) days unless Seller permits a longer time period in writing in advance of the thirty (30) day period's expiration.
 - 13.1.3. Buyer's dissolution, termination of existence, insolvency on a balance-sheet basis, or business failure; Buyer's commencement of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Buyer in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Buyer to

the appointment of a receiver, trustee, or custodian of Buyer or of any of Buyer's property; or Buyer's assignment for the benefit of creditors or Buyer's failure generally to pay its debts as they become due.

13.1.4. Buyer's making or suffering a fraudulent transfer or conveyance under applicable federal or state law; Buyer's concealment of any of its property from creditors; Buyer's making or suffering a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint on any of the property of Buyer.

13.1.5. Buyer's failure to perform any term, condition, or provision of or any default attributable to Buyer under any mortgage, trust deed, contract or other encumbrance as to which Seller has or may have subordinated Seller's interest in the Property pursuant to a separate agreement between Seller and Buyer. In the interest of clarity, as of the Effective Date no such separate agreement exists between the parties.

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

13.2.1. Seller may declare the entire balance of the purchase price and interest immediately due and payable.

13.2.2. Seller may foreclose this Contract by suit in equity.

13.2.3. Seller may specifically enforce the terms of this Contract by suit in equity.

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

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

13.2.6. After complying with the notice requirements and affording Buyer the right to cure the default contained in ORS 93.905-93.945, as the same may be amended or superseded from time to time, as long as the same is applicable, Seller may declare this Contract forfeited and retain the amount of the payments previously made under this Contract. On recordation of the affidavit required by Oregon law, this Contract will be extinguished and canceled, and Buyer will have no further right, title, or interest in and to the real property or to any return or compensation for payments previously made under this Contract, as though this Contract and such payments had never been made. In that event, Buyer agrees to surrender the Property to Seller. If Buyer fails to do so, Seller may elect to treat Buyer as a tenant

holding over unlawfully after the expiration of a lease, and Buyer may be ousted and removed as such, without affecting Seller's right to pursue other rights and remedies contained in this Contract or permitted by law.

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

13.2.7.1.1. Use, operate, manage, control, and conduct business on the Property and make expenditures for all maintenance and improvements that in its judgments are proper;

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

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

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Seller or otherwise, such sums as the receiver deems necessary for the purposes stated in this subsection, and repayment of those sums will be secured by this Contract. Amounts borrowed from or advanced by Seller will bear interest at four percent (4%) per annum from the date of expenditure until repaid and must be paid by Buyer on demand.

13.2.8. Buyer hereby assigns to Seller all the Income from the Property, whether now or hereafter due. Before default, Buyer may operate and manage the Property and collect the Income from the Property. In the event of default and at any time thereafter, Seller may revoke Buyer's right to collect the Income from the Property and may, either itself or through a receiver, collect the same. To facilitate collection, Seller may notify any tenant or other user to make payments of rents or use fees directly to Seller. If the Income is collected by Seller, then Buyer irrevocably designates Seller as Buyer's attorney-in-fact with full power of substitution and coupled with an interest to endorse instruments received in payment thereof in the name of Buyer and to negotiate the same and collect the proceeds. Payments by tenants or other users to Seller in response to Seller's demand will satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Seller will apply the Income first to the expenses of renting or collection and any balance to the payment of sums due from Buyer to Seller under this Contract.

- 13.3. Remedies Not Exclusive. The remedies provided above are nonexclusive and in addition to any other remedies provided by law.
14. Waiver. The failure of either party at any time to require performance of any provision of this Contract will not limit the party's right to enforce the provision except to the extent expressly set forth in a writing signed by that party, nor will any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.
15. Modifications and Integration. No modification, amendment, discharge or change of this Contract, except as otherwise provided, shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment, discharge or change is sought. This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all prior or existing written and oral agreements between the parties or their representatives relating to the Property.
16. Successor Interests. This Contract is binding on and inures to the benefit of the parties, their successors, and assigns but no interest of Buyer may be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior written consent of Seller, which Seller may withhold in its sole discretion. Seller's consent to one transfer will not constitute consent to other transfers or waiver of this section. Any attempted assignment in violation of this provision will be void and of no effect with respect to Seller.
17. Transfer of Property. On sale or transfer of all or any part of the Property, or any interest therein, Seller may, at Seller's option, declare all of the sums secured by this Contract to be immediately due and payable, and Seller may invoke any remedies permitted by paragraph 11 of this Contract.
18. Notice. Any notice under this Contract must be in writing and will be effective when actually delivered in person or three (3) days after being deposited in the U.S. mail, registered or certified, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other. Mailing addresses for the parties are as follows:
- 18.1. For Seller: Accounting Manager, 270 Montgomery Street, Woodburn, OR 97071.
- 18.2. For Buyer: Novera, LLC, 10117 SE Sunnyside Road, Clackamas, OR 97015.
19. Oregon Law. Oregon law governs this Contract without respect to conflict of laws principles.
20. Captions and Related Matters. All captions used in this Contract are intended solely for convenience of reference and in no way limit any of the provisions of this Contract. As used in this Contract, the singular includes the plural, and the plural the singular. The masculine and neuter each include the masculine, feminine, and neuter, as the context requires. This Contract will not be construed against the party who drafted it.

21. Costs and Attorney Fees.

- 21.1. No Suit or Action Filed. If either party to this Contract utilizes legal counsel because of a default in the payment or performance of any of its terms, the defaulting party must pay, immediately on demand, the other party's reasonable attorney fees, collection costs, costs of either a litigation or a foreclosure report (whichever is appropriate), even though no suit or action is filed thereon, and any other fees or expenses incurred by the non-defaulting party.
- 21.2. Suit or Action Filed. If any arbitration, mediation, or other proceeding is brought in lieu of litigation, or if suit or action is instituted to enforce or interpret any of the terms of this Contract, or if suit or action is instituted in a bankruptcy court for a United States District Court to enforce or interpret any of the terms of this Contract, to seek relief from an automatic stay, to obtain adequate protection, or to otherwise assert Seller's interest in a bankruptcy proceeding, the party not prevailing must pay the prevailing party's costs and disbursements, the fees and expenses of expert witnesses in determining reasonable attorney fees as applicable, the actual cost of a litigation or foreclosure report, and any sums that the court may determine to be reasonable for the prevailing party's attorney fees connected with the trial and any appeal and by petition for review thereof.
- 21.3. Attorney Fees Defined. For purposes of this Contract, the term "attorney fees" includes all charges of the prevailing party's lawyers and their staff (including without limitation legal assistants, paralegals, word processing, and other support personnel) and any post-petition fees and expenses in a bankruptcy court. For purposes of this Contract, the term "fees and expenses" includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail, or parcel delivery; mileage and all deposition charges, including but not limited to court reporters' charges, appearance fees, and all costs of transcription; costs incurred in searching records; and the cost of title reports or surveyor's reports.
22. Survival of Covenants. Any covenants, the full performance of which are not required before the Closing or final payment of the Total Purchase Price and delivery of the deed, will survive for a period of three (3) years following the Seller's receipt of the Balloon Payment and the delivery of the deed and be fully enforceable thereafter.
23. Memorandum of Contract. On the Closing Date, the parties will cause a memorandum of this contract to be recorded in the real property records of Marion County, Oregon, in form and content reasonably acceptable to both parties. If the parties have not completed such a memorandum in recordable form and delivered the same date to the Title Company by the Closing Date, this Contract must be recorded in its entirety.

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.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the last date of signature specified below.

CITY OF WOODBURN, an Oregon
municipal corporation

Scott Derickson, City Administrator

Date

Novera, LLC

Hythum Ismail

Title

Date

EXHIBIT A

Property Address:

347 N. FRONT STREET, WOODBURN, MARION COUNTY, OREGON

Legal Description:

ALL OF LOT THREE (3) IN BLOCK TWO (2), AND THE
NORTHEASTERLY 2 AND 1/2 FEET OF LOT FOUR (4) IN BLOCK TWO
(2), TO THE CENTER OF THE PARTY WALL BETWEEN THE BUILDING
KNOWN AS THE ASSOCIATION BUILDING AND L.W. GUISS BUILDING,
ADJOINING ON THE SOUTH SIDE, ALL IN WOODBURN, MARION
COUNTY, OREGON. (PLAT VOLUME 1, PAGE 39).

EXHIBIT B

Amortization Schedule:

				4.0%	\$1,817.94
	Due Date	Interest	Principal	Remaining Due	20 year amort, mthly pymt & compounding
				300,000.00	
					6 mth deferral, no payments
1	11/1/2016	1,000.00	\$817.94	299,182.06	
2	12/1/2016	997.27	\$820.67	298,361.39	
3	1/1/2017	994.54	\$823.40	297,537.99	
4	2/1/2017	991.79	\$826.15	296,711.84	
5	3/1/2017	989.04	\$828.90	295,882.94	
6	4/1/2017	986.28	\$831.66	295,051.27	
7	5/1/2017	983.50	\$834.44	294,216.83	
8	6/1/2017	980.72	\$837.22	293,379.61	
9	7/1/2017	977.93	\$840.01	292,539.60	
10	8/1/2017	975.13	\$842.81	291,696.79	
11	9/1/2017	972.32	\$845.62	290,851.17	
12	10/1/2017	969.50	\$848.44	290,002.73	
13	11/1/2017	966.68	\$851.26	289,151.47	
14	12/1/2017	963.84	\$854.10	288,297.37	
15	1/1/2018	960.99	\$856.95	287,440.42	
16	2/1/2018	958.13	\$859.81	286,580.60	
17	3/1/2018	955.27	\$862.67	285,717.93	
18	4/1/2018	952.39	\$865.55	284,852.38	
19	5/1/2018	949.51	\$868.43	283,983.95	
20	6/1/2018	946.61	\$871.33	283,112.62	
21	7/1/2018	943.71	\$874.23	282,238.39	
22	8/1/2018	940.79	\$877.15	281,361.24	

23	9/1/2018	937.87	\$880.07	280,481.17	
24	10/1/2018	934.94	\$883.00	279,598.17	
25	11/1/2018	931.99	\$885.95	278,712.22	
26	12/1/2018	929.04	\$888.90	277,823.31	
27	1/1/2019	926.08	\$891.86	276,931.45	
28	2/1/2019	923.10	\$894.84	276,036.61	
29	3/1/2019	920.12	\$897.82	275,138.79	
30	4/1/2019	917.13	\$900.81	274,237.98	
31	5/1/2019	914.13	\$903.81	273,334.17	
32	6/1/2019	911.11	\$906.83	272,427.34	
33	7/1/2019	908.09	\$909.85	271,517.49	
34	8/1/2019	905.06	\$912.88	270,604.61	
35	9/1/2019	902.02	\$915.92	269,688.69	
36	10/1/2019	898.96	\$918.98	268,769.70	
37	11/1/2019	895.90	\$922.04	267,847.66	
38	12/1/2019	892.83	\$925.11	266,922.55	
39	1/1/2020	889.74	\$928.20	265,994.35	
40	2/1/2020	886.65	\$931.29	265,063.06	
41	3/1/2020	883.54	\$934.40	264,128.66	
42	4/1/2020	880.43	\$937.51	263,191.15	
43	5/1/2020	877.30	\$940.64	262,250.51	
44	6/1/2020	874.17	\$943.77	261,306.74	
45	7/1/2020	871.02	\$946.92	260,359.82	
46	8/1/2020	867.87	\$950.07	259,409.74	
47	9/1/2020	864.70	\$953.24	258,456.50	
48	10/1/2020	861.52	\$956.42	257,500.08	
49	11/1/2020	858.33	\$959.61	256,540.47	
50	12/1/2020	855.13	\$962.81	255,577.66	
51	1/1/2021	851.93	\$966.01	254,611.65	

52	2/1/2021	848.71	\$969.23	253,642.42	
53	3/1/2021	845.47	\$972.47	252,669.95	
54	4/1/2021	842.23	\$975.71	251,694.24	
55	5/1/2021	838.98	\$978.96	250,715.28	Balloon Due