

AGREEMENT TO PURCHASE REAL PROPERTY
[REVISED May 14, 2025]

Seller: J & M Walchli Land, LLC, an Oregon limited liability company
79937 S. Edwards Road
Hermiston, OR 97838

Buyer: City of Hermiston
180 NE 10^{2nd} Street
Hermiston, OR 97838

RECITAL

City of Hermiston (*Buyer*) wishes to acquire from J & M Walchli Land, LLC (*Seller*) that real property, improvements, water rights, and personal property, altogether *the Property*, described as:

The West Half of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 18, Township 4 North, Range 29, East of the Willamette Meridian, Umatilla County, Oregon. Excepting therefrom the East 267.70 feet thereof; Also, excepting therefrom any portion lying within the County Road right-of-way (*Tax Lot 500*);

Including all irrigation equipment, piping, wiring, pumps installed thereon;

(AND)

That easement appurtenant to Tax Lot 500 conveyed to Seller May 29, 1975 and recorded in Book 346 Page 592 Umatilla County Records including all irrigation equipment, piping, wiring, pumps, and structures attached thereon (*the Appurtenant Easement*), and any part of this equipment or structures that may lie immediately adjacent to the Appurtenant Easement.

(AND)

All water rights appurtenant to Tax Lot 500.

(AND)

The hand-line irrigation equipment (personal property) used to irrigate the corners of Tax Lot 500.

AGREEMENT

Buyer agrees to purchase the Property from Seller, and Seller agrees to sell the Property to Buyer, for the sum of \$2,100,000 (the "*Purchase Price*") subject to terms in this Agreement.

The Purchase Price includes compensation for any impacts to Seller's remaining land resulting from the acquisition of the Property, and includes compensation for personal property described herein.

The Purchase Price does not include compensation for crops located on the Property at the time of Closing. This Agreement does not convey Seller's ownership or possession of any crops.

PAYMENT OF PURCHASE PRICE

The Purchase Price shall be paid in cash as follows:

- (a) Purchase Price of \$2,100,000 paid at Closing.

CONDITION OF TITLE

Buyer has reviewed that Preliminary Title Report issued by Pioneer Title Company of Umatilla County dated January 27, 2025 (*PTR*) and accepts title subject to all listed exceptions, including the easements listed as Exception 5, 6, 7, 8, 9, 10, 11, and 12.

ESCROW/CLOSING

Buyer shall open escrow promptly following full execution of this Agreement at Pioneer Title Company (*Escrow*), 115 E Highland Ave, Hermiston, OR 97838. The Closing Date shall be selected by Buyer but shall be no later than 60 days following full execution of this Agreement.

Buyer shall deliver to Escrow:

- (b) Purchase Price of \$2,100,000.
- (c) Prorated taxes.
- (d) Costs of escrow (Buyer and Seller), title insurance, and recording fees.

Seller shall deliver to Escrow:

- (a) Statutory Special Warranty Deed to be executed at Closing conveying title of Tax Lot 500 and the Appurtenant Easement to Buyer subject only to non-delinquent property taxes, and free and clear of all liens, encumbrances, easements and restrictions except for those identified in the Preliminary Title Report dated January 22, 2025.
- (b) Non-Foreign Certification: a certification of non-foreign status in the form required by Internal Revenue Code §1445.
- (c) Prorated taxes.
- (d) Prorated water charges due to Stanfield Irrigation District through Aug. 15, 2025

Each party shall be responsible for any attorney's fees or real estate fees they incur in relation to this Agreement.

TITLE INSURANCE

Buyer shall obtain at Buyer's cost title insurance in the amount of Purchase Price insuring Buyer as the owner of Tax Lot 500 and of the Appurtenant Easement subject to the above-described conditions of title that are acceptable to Buyer.

POSSESSION/CROPS

Buyer shall obtain possession of the Property on August 15, 2025 or 60 days after Closing, whichever is later. Seller may irrigate crops and do all things necessary without interference from Buyer prior to possession.

Seller shall deliver the hand-line equipment used to irrigate the corners of Tax Lot 500 by this date.

Seller shall retain ownership and right to harvest crops on Tax Lot 500 after Closing.

WATER RIGHTS

Buyer and Seller acknowledge that water rights evidenced by Certificate of Water Right No. 94238 (the Water Right Certificate) are appurtenant to Buyer's Property (Tax Lot 500) and to Seller's property (Tax Lot 1300 and Tax Lot 400) and that Buyer will acquire those water rights appurtenant to Tax Lot 500 when Buyer acquires Tax Lot 500.

Seller conveys all rights or interest in water rights appurtenant to Tax Lot 500 and has no duties of any kind to maintain those water rights.

Seller retains water rights appurtenant to Tax Lot 1300 and Tax Lot 400. Buyer has no rights or interest in Seller's water rights, and Buyer has no duties of any kind to maintain those water rights.

Buyer shall acquire Pump 162 and associated equipment in the Appurtenant Easement, as provided in this Agreement.

Seller shall retain ownership of Pump 157 and associated equipment.

LEASE BACK

Buyer shall estimate the fair market value to lease the Property. Buyer shall offer to Seller the first right of refusal to lease back the Property for the rent and terms estimated by Buyer before offering to lease to other lessees.

SELLER'S REPRESENTATIONS

Seller represents and warrants to Buyer that:

1. Seller has not received any notice from any government agency that Tax Lot 500 is in any violation of any statute, law, ordinance, rule, regulation or deed restriction affecting Property.
2. No other party has any right, title, or interest in Tax Lot 500.
3. There is no pending litigation affecting Tax Lot 500, nor an agreement to convey any portion or interest in Tax Lot 500.

AS IS CONDITON

Buyer has conducted examinations of the Property and accepts it “As Is.”

Seller has made no representations, warranties, or other agreements regarding the Property except those represented in this Agreement.

Buyer acknowledges that Buyer has assessed, or has had the opportunity to assess, the size, configuration, utility service, environmentally sensitive areas, means of access, permitted uses, status of title, value, condition, and all other material aspects of the Property, and, except as specifically stated herein, Buyer is not relying on, nor has Buyer been influenced by, any statement or representation of Seller or any agent or representative of Seller regarding any of such items. Buyer’s acceptance of the Property and the satisfaction or waiver of all Buyer’s conditions to closing will be evidenced solely by the closing of this transaction and without any other act or confirmation by Buyer. Buyer does not have the option to close this transaction without accepting the Property in its then current condition, and Buyer acknowledges that except for any Seller’s breach of an express warranty stated in this Agreement, Buyer is acquiring the Property “AS IS, WHERE IS” in its current condition existing as of the Closing Date, without any representation or warranty of any kind or nature by Seller.

Seller has no obligation to maintain, repair, alter, reconstruct, or replace any portion of the Property or preserve or enter into any existing or new leases or service contracts, and Buyer acknowledges that there exist no express or implied representations or covenants to do so.

As part of the consideration for this Agreement, Buyer agrees that Seller has no liability, and Buyer hereby waives any claims and releases Seller for all liability, for any title, physical condition, or any other aspect of the Property, whether direct or indirect, absolute or contingent, foreseen or unforeseen, and known or unknown. The waiver and release extend to Seller and Seller’s affiliates, successors, members, partners, shareholders, directors, officers, employees, and agents, and their respective heirs, successors, and assigns. Without limiting the generality of the foregoing, Buyer waives all rights to contribution, offsets, and damages that in any manner relate to the compliance of the Property with any law or regulation applicable thereto, including, without limitation, the Americans with Disabilities Act, 42 USC §§12101–12213; the Fair Housing Act, 42 USC §§3601–3631; the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC §§9601–9675; the Resource Conservation and Recovery Act, 42 USC §§6901–6992k; the Clean Water Act, 33 USC §§1251–1387; the Safe Drinking Water Act, 42 USC §§300f–300j-26; the Hazardous Materials Transportation Act, 49 USC §§5101–5128; the Toxic Substances Control Act, 15 USC §§2601–2692; and any and all other federal, state, and local personal disabilities and environmental laws or regulations.”

DISCLOSURE

It is agreed that Property is not residential property and does not qualify under ORS105.465 and Seller’s Property Disclosure Statement is not required.

BINDING EFFECT

This Agreement is binding and will inure to the benefit of Buyer and Seller and their successors and assigns.

SURVIVAL OF RIGHTS AND OBLIGATIONS

The rights and obligations of the parties as set forth in this Agreement shall survive the execution and delivery of the deed(s). The parties intend that this Agreement shall not merge into the deed but shall remain separate and distinct.

AGENCY

William N Werner of Will Werner, LLC is an agent of the Buyer exclusively. Seller has not identified an agent. Buyer and Seller have read the Oregon Agency Disclosure Brochure. The sale of the Property pursuant to this Agreement will not result in any commissions being paid to any agent.

NOTICES

All notices shall be delivered to Buyer or Seller at the addresses listed above.

ATTORNEY FEES

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

STATUTORY DISCLAIMER

“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, 277 CHAPTER 424, OREGON LAWS 2004, 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 FREE 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.”

ENTIRE AGREEMENT

This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings. This Agreement may not be modified, changed, supplemented, or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted here. The parties do not intend to confer any benefit on any person, firm, or corporation other than the parties hereto and their respective successors and assigns.

Accepted:

SELLER:

For J & M Walchli Land, LLC

Date

For J & M Walchli Land, LLC

Date

For J & M Walchli Land, LLC

Date

BUYER:

For City of Hermiston

Date