

OFFERING MEMORANDUM

Salem's Historic Grand
181 - 195 High St NE



**LEASED INVESTMENT
SALEM, OREGON**

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Hancock
REAL ESTATE

PROPERTY SUMMARY



Investment Overview

This multi-tenant mixed use building represents a prime investment opportunity in the heart of the Willamette Valley. Built in 1900, the building is 38,450 SF and features three floors of retail, office, theatre and conference spaces. Located in Salem's downtown core at the corner of High St NE and Court St NE, the property is just minutes from I-5 and Highway 22.

Historically known as the Chemeketa Lodge No 1, Odd Fellows Building and now Salem's Historic Grand, this building has been a gathering space for over a century. The owner-users have invested over \$2.5 million in infrastructure and theatre upgrades.

For full financial analysis, contact team@hancockre.com.

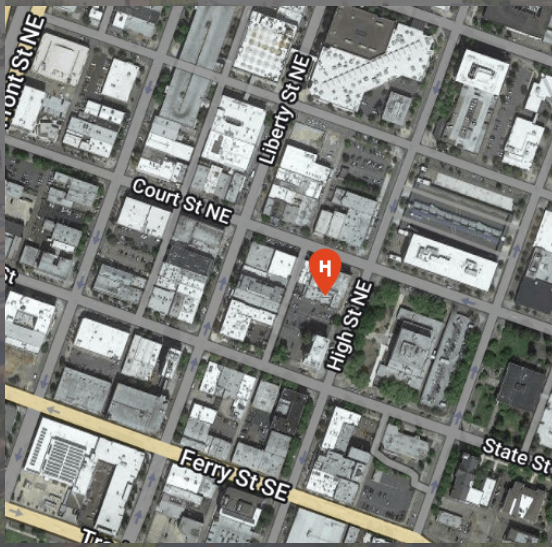
Property Highlights

- 38,450 SF on 0.50 ac
- Convenient access off of main thoroughfare
- Zoned Central Business District (CBD)
- 7 tax parcels
- 24 parking spaces
- List price: \$4,575,000

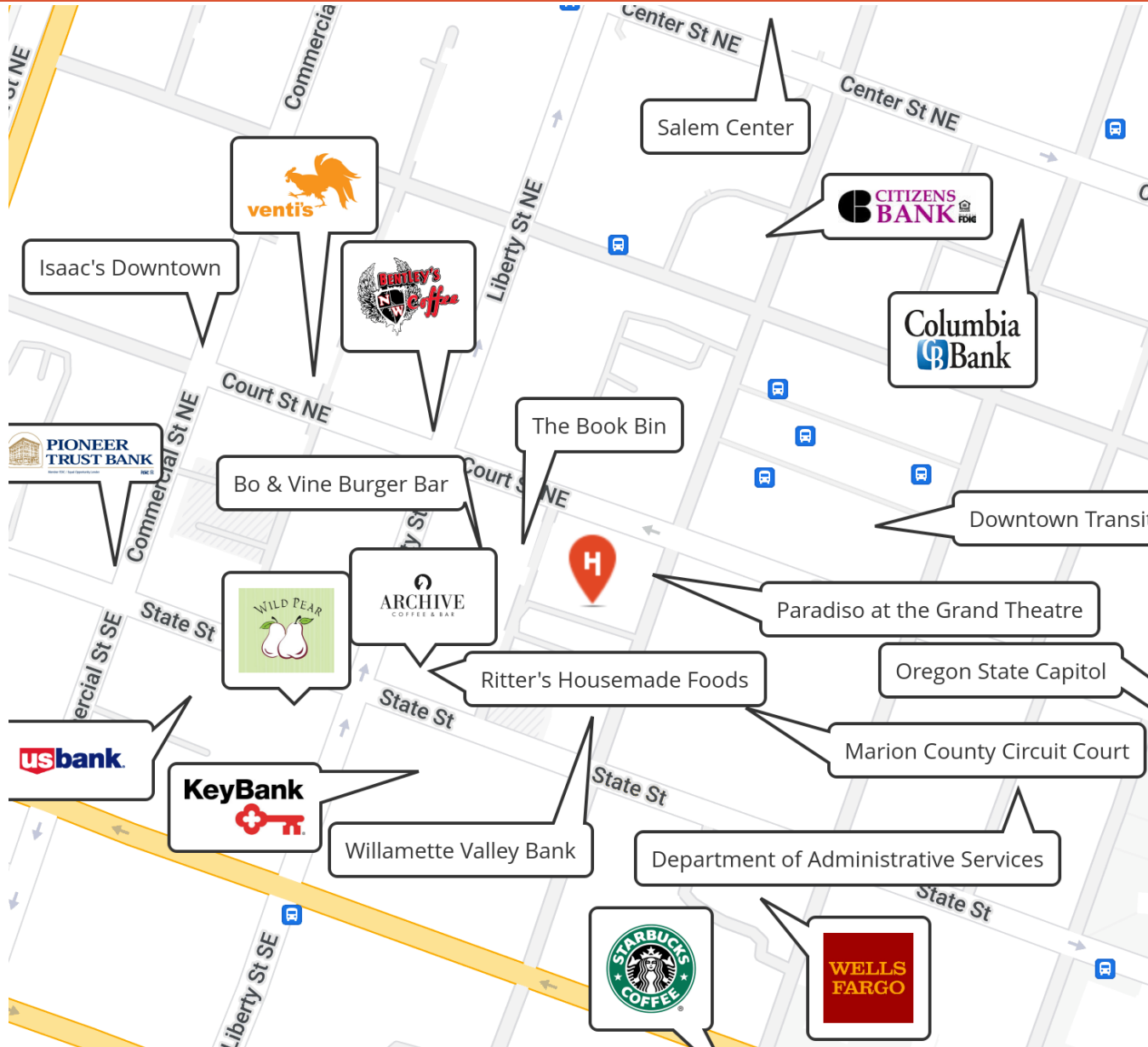


AREA OVERVIEW

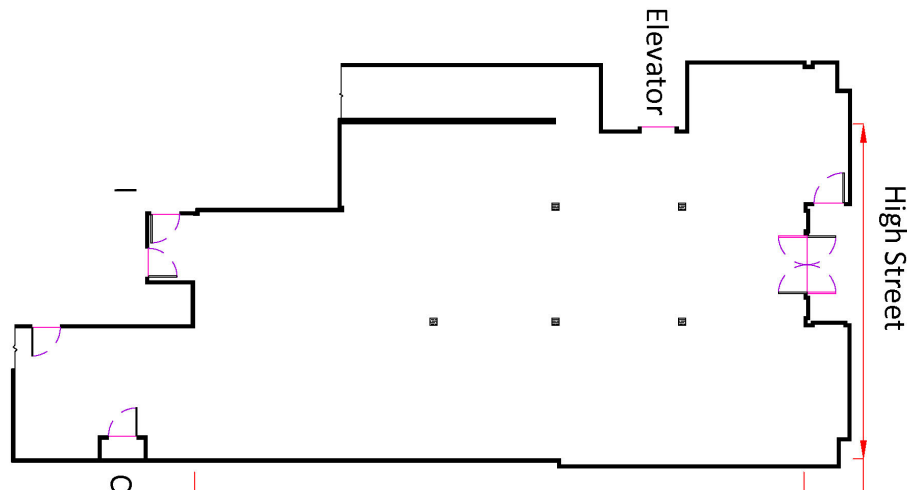
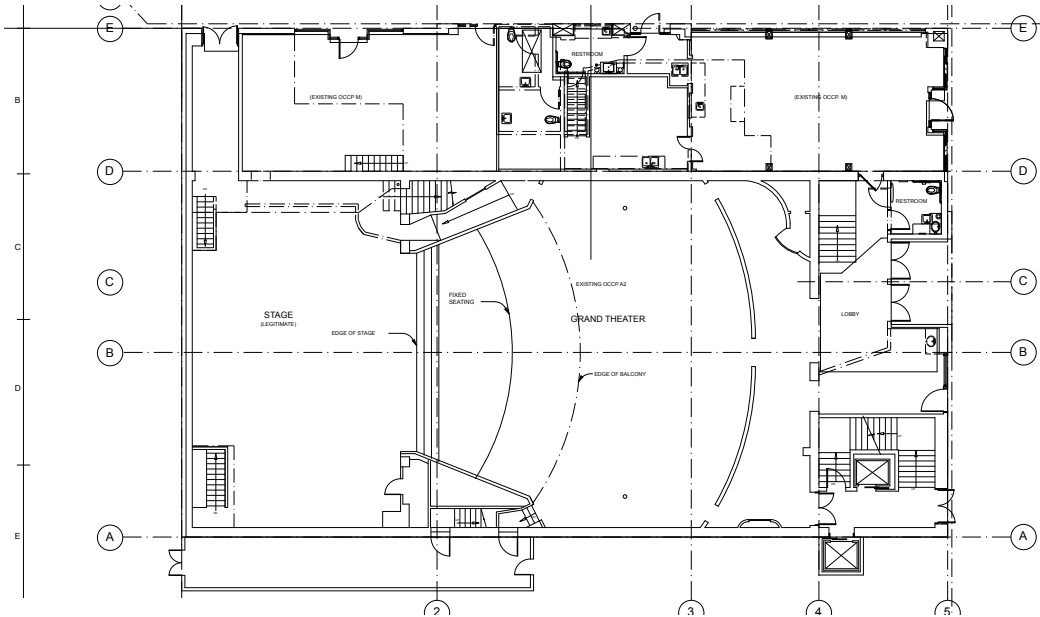
Located at the heart of Salem's city center, the subject property represents an ideal location to do business. Situated at the transition point between public and private business in Salem's downtown core, the property boasts traffic counts of 7,870 vPd. Nearby landmarks include the Marion County Circuit Court, Department of Administrative Services, Salem Hospital, Oregon State Capitol, and numerous businesses and retailers.



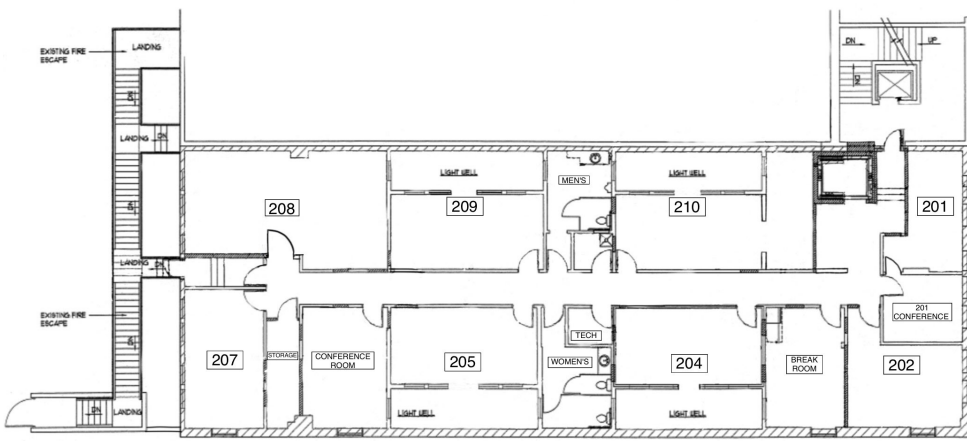
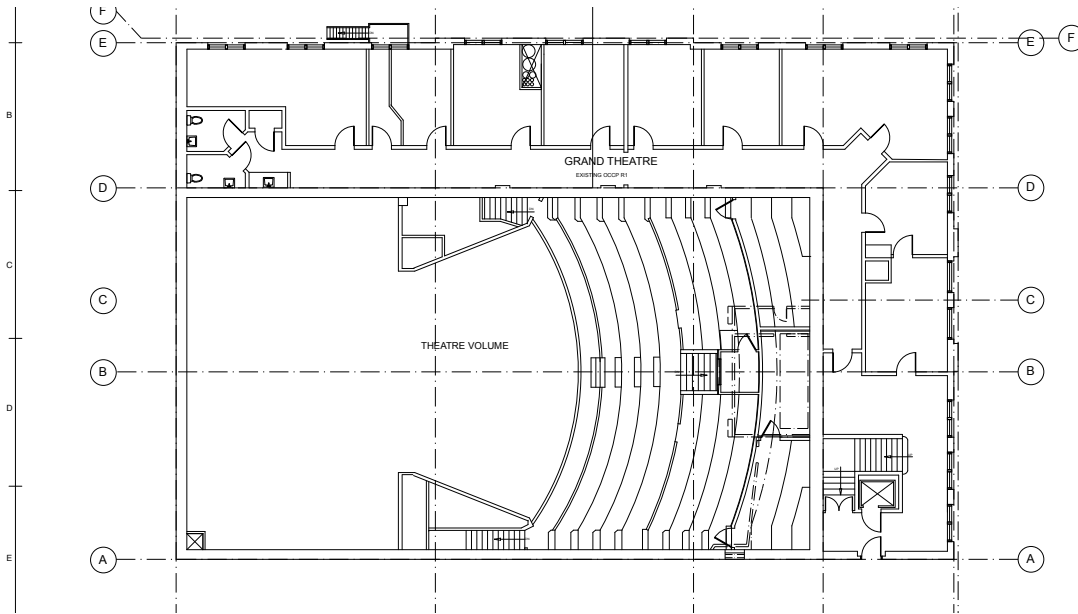
RETAILER MAP



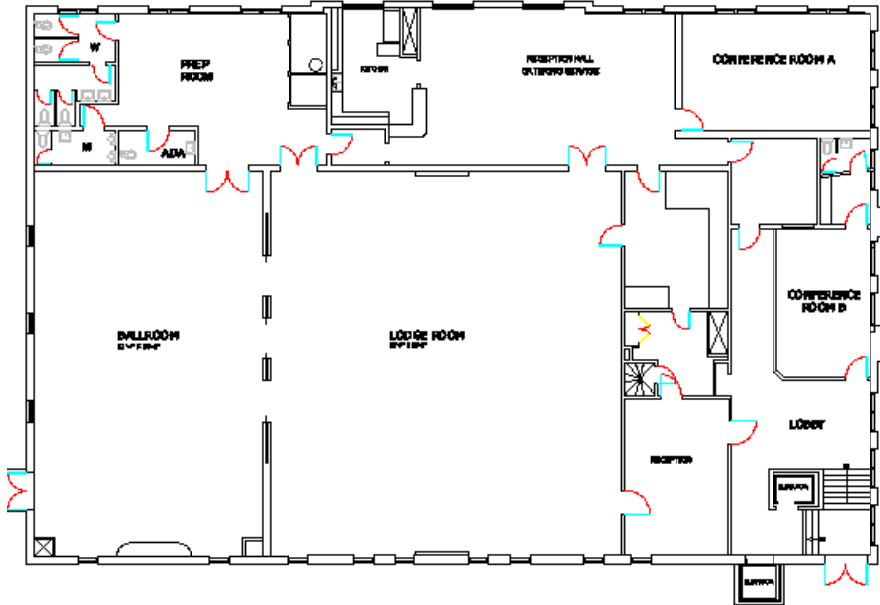
GROUND FLOOR PLANS



SECOND FLOOR PLANS



FOURTH FLOOR PLAN

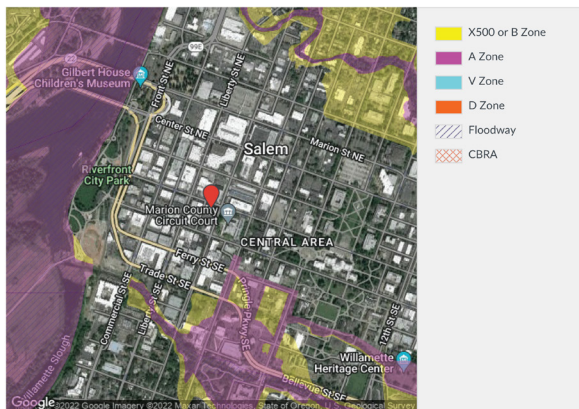


Flood Map

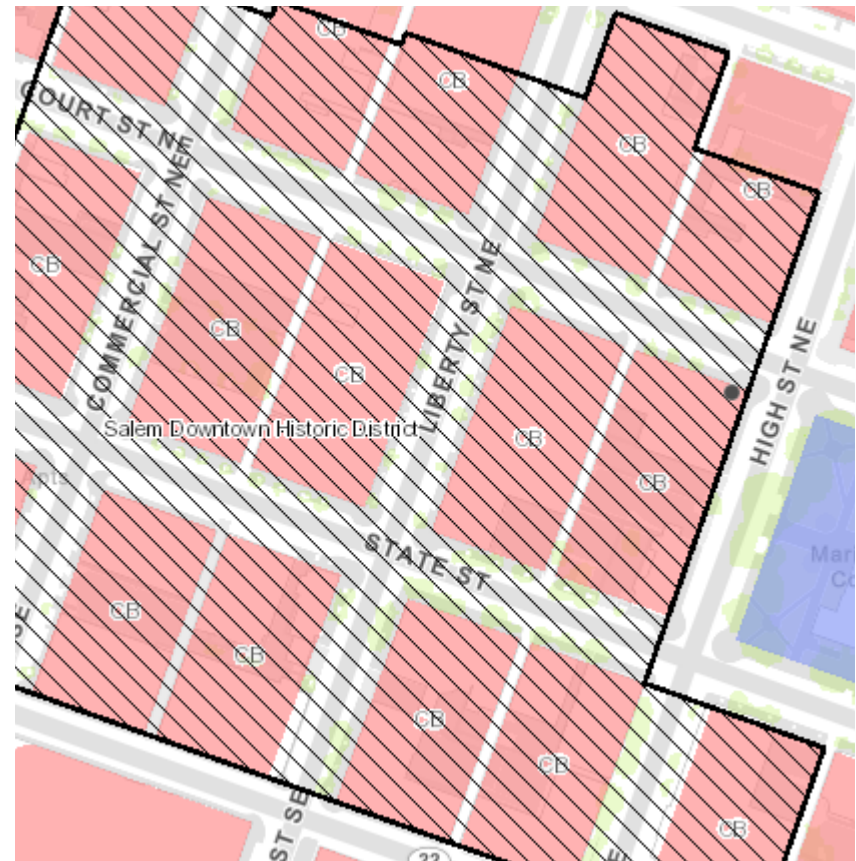
Flood Zone Determination Report

Flood Zone Determination: **OUT**

COMMUNITY	410167	PANEL	0333H
PANEL DATE	January 02, 2003	MAP NUMBER	41047C0333H



Zoning Map



CITY OF SALEM OPPORTUNITY ZONE

OPPORTUNITY ZONE OVERVIEW

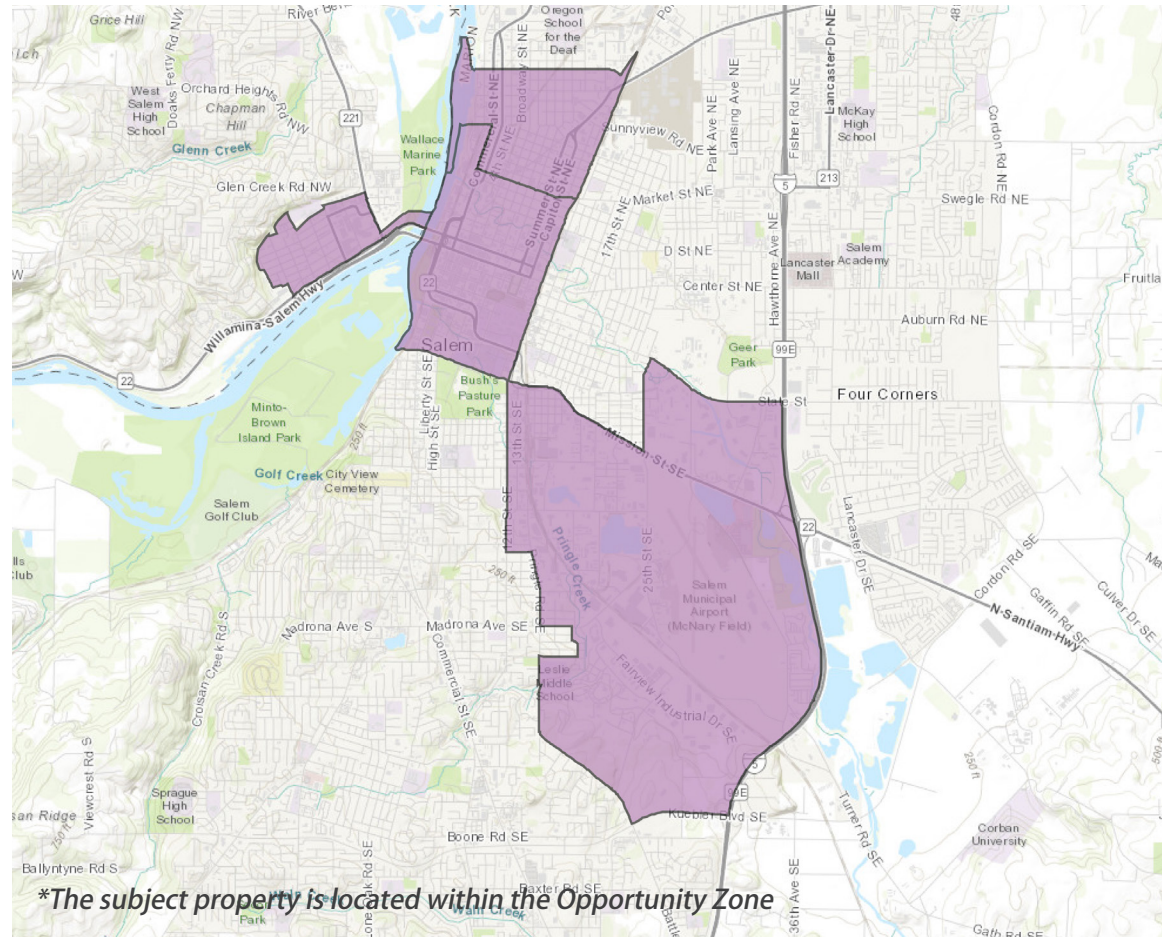
In 2018, the U.S. Treasury made opportunity zone designations across the country to encourage long-term investments through a federal tax incentive. This new tax incentive pertains to both the capital gains invested initially through a qualified opportunity fund, as well as capital gains earned for the investor from businesses or projects in a zone. There are four Opportunity Zones in Salem:

- Downtown
- North Downtown
- Area surrounding the Salem Airport
- West Salem

Gains transferred into a qualified opportunity fund within 180 days will have their tax liability delayed or deferred until December 31, 2026, at the latest. The taxpayer decides how much of the realized gains to invest, when to sell or exit that investment, and whether to invest additional funds.

In addition to deferring income taxes, by the time the investment of tax deferred gains in the opportunity zone is sold or the end of 2026, whichever is earlier, the following applies:

- If the value increases and it is held in the fund for at least five years, the amount subject to taxes shrinks by 10%
- If the value increases and it is held in the fund for at least seven years, the amount subject to taxes shrinks by 15% (10% for the five years plus 5% for each consecutive year)
- If the value decreases, the amount subject to taxes is effectively the fair market value



Source: <https://www.cityofsalem.net/business/land-use-zoning/development-maps/opportunity-zone>

The information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.

CITY OVERVIEW



About Salem

Located in the heart of the Willamette Valley, Salem is the capital city of Oregon. Thanks to its central location, easy-going lifestyle, as well as a strong business community, Salem is at the center of it all. Despite being one of the largest cities in the State, Salem has a friendly, small-town feel. Its proximity to the ocean beaches to the west and the Cascade mountains to the east make its location ideal for those looking for an active, outdoor lifestyle. Living options range from well established, historic neighborhoods to urban living, thanks to downtown revitalization. With an award-winning school system, abundant parks and recreational activities, mild climate, affordable living, and moderate pace of life, Salem is a great place to set down roots.



Doing Business in Salem

Low business costs and easy access to Interstate 5 and major transportation hubs make this region a dynamic location for business. Salem's focus on workforce development, along with close proximity to some of the state's top public and private colleges and universities, provides qualified employees. Paired with a high quality of life, the mid-Willamette Valley is a great place to live, work, and grow.



Demographics	0.25 Mile	0.5 Mile	1 Mile
Total Population	571	2,115	8,106
Median Age	32.2	28.9	36.1
Total Households	263	866	3,789
Average Household Income	\$98,028	\$87,764	\$66,020
Average House Value	\$482,479	\$711,915	\$363,420

Sources: censusviewer.com, salemchamber.org, city-data.com, buildout.com



INITIAL AGENCY DISCLOSURE PAMPHLET

Consumers: This pamphlet describes the legal obligations of Oregon real estate licensees to consumers. Real estate brokers and principal real estate brokers are required to provide this information to you when they first contact you. A licensed real estate broker or principal broker need not provide the pamphlet to a party who has, or may be reasonably assumed to have, received a copy of the pamphlet from another broker.

This pamphlet is informational only. Neither the pamphlet nor its delivery to you may be interpreted as evidence of intent to create an agency relationship between you and a broker or a principal broker.

Real Estate Agency Relationships

An "agency" relationship is a voluntary legal relationship in which a licensed real estate broker or principal broker (the "agent") agrees to act on behalf of a buyer or a seller (the "client") in a real estate transaction. Oregon law provides for three types of agency relationships between real estate agents and their clients:

Seller's Agent -- Represents the seller only.

Buyer's Agent -- Represents the buyer only.

Disclosed Limited Agent -- Represents both the buyer and seller, or multiple buyers who want to purchase the same property. This can be done only with the written permission of all clients.

The actual agency relationships between the seller, buyer and their agents in a real estate transaction must be acknowledged at the time an offer to purchase is made. Please read this pamphlet carefully before entering into an agency relationship with a real estate agent.

Definition of "Confidential Information"

Generally, licensees must maintain confidential information about their clients. "Confidential information" is information communicated to a real estate licensee or the licensee's agent by the buyer or seller of one to four residential units regarding the real property transaction, including but not limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential information" does not mean information that:

- (1) The buyer instructs the licensee or the licensee's agent to disclose about the buyer to the seller, or the seller instructs the licensee or the licensee's agent to disclose about the seller to the buyer; and
- (2) The licensee or the licensee's agent knows or should know failure to disclose would constitute fraudulent representation.

Duties and Responsibilities of a Seller's Agent

Under a written listing agreement to sell property, an agent represents only the seller unless the seller agrees in writing to allow the agent to also represent the buyer.

An agent who represents only the seller owes the following affirmative duties to the seller, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A seller's agent owes the seller the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the seller;
- (3) To be loyal to the seller by not taking action that is adverse or detrimental to the seller's interest in a transaction;
- (4) To disclose in a timely manner to the seller any conflict of interest, existing or contemplated;
- (5) To advise the seller to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the seller except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find a buyer for the property, except that a seller's agent is not required to seek additional offers to purchase the property while the property is subject to a contract for sale.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between seller and agent.

Under Oregon law, a seller's agent may show properties owned by another seller to a prospective buyer and may list competing properties for sale without breaching any affirmative duty to the seller.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of a Buyer's Agent

An agent, other than the seller's agent, may agree to act as the buyer's agent only. The buyer's agent is not representing the seller, even if the buyer's agent is receiving compensation for services rendered, either in full or in part, from the seller or through the seller's agent.

An agent who represents only the buyer owes the following affirmative duties to the buyer, the other parties and the other parties' agents involved in a real estate transaction:

- (1) To deal honestly and in good faith;
- (2) To present all written offers, notices and other communications to and from the parties in a timely manner without regard to whether the property is subject to a contract for sale or the buyer is already a party to a contract to purchase; and
- (3) To disclose material facts known by the agent and not apparent or readily ascertainable to a party.

A buyer's agent owes the buyer the following affirmative duties:

- (1) To exercise reasonable care and diligence;
- (2) To account in a timely manner for money and property received from or on behalf of the buyer;
- (3) To be loyal to the buyer by not taking action that is adverse or detrimental to the buyer's interest in a transaction;
- (4) To disclose in a timely manner to the buyer any conflict of interest, existing or contemplated;
- (5) To advise the buyer to seek expert advice on matters related to the transaction that are beyond the agent's expertise;
- (6) To maintain confidential information from or about the buyer except under subpoena or court order, even after termination of the agency relationship; and
- (7) Unless agreed otherwise in writing, to make a continuous, good faith effort to find property for the buyer, except that a buyer's agent is not required to seek additional properties for the buyer while the buyer is subject to a contract for purchase.

None of these affirmative duties of an agent may be waived, except (7). The affirmative duty listed in (7) can only be waived by written agreement between buyer and agent.

Under Oregon law, a buyer's agent may show properties in which the buyer is interested to other prospective buyers without breaching an affirmative duty to the buyer.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise, including but not limited to investigation of the condition of property, the legal status of the title or the seller's past conformance with law.

Duties and Responsibilities of an Agent Who Represents More than One Client in a Transaction

One agent may represent both the seller and the buyer in the same transaction, or multiple buyers who want to purchase the same property, only under a written "Disclosed Limited Agency Agreement" signed by the seller and buyer(s).

Disclosed Limited Agents have the following duties to their clients:

- (1) To the seller, the duties listed above for a seller's agent;
- (2) To the buyer, the duties listed above for a buyer's agent; and
- (3) To both buyer and seller, except with express written permission of the respective person, the duty not to disclose to the other person:
 - (a) That the seller will accept a price lower or terms less favorable than the listing price or terms;
 - (b) That the buyer will pay a price greater or terms more favorable than the offering price or terms; or
 - (c) Confidential information as defined above.

Unless agreed to in writing, an agent has no duty to investigate matters that are outside the scope of the agent's expertise. When different agents associated with the same principal broker (a real estate licensee who supervises other agents) establish agency relationships with different parties to the same transaction, only the principal broker will act as a Disclosed Limited Agent for both the buyer and seller. The other agents continue to represent only the party with whom the agents have already established an agency relationship unless all parties agree otherwise in writing. The principal real estate broker and the real estate licensees representing either seller or buyer shall owe the following duties to the seller and buyer:

- (1) To disclose a conflict of interest in writing to all parties;
- (2) To take no action that is adverse or detrimental to either party's interest in the transaction; and
- (3) To obey the lawful instructions of both parties.

No matter whom they represent, an agent must disclose information the agent knows or should know that failure to disclose would constitute fraudulent misrepresentation.

You are encouraged to discuss the above information with the licensee delivering this pamphlet to you. If you intend for that licensee, or any other Oregon real estate licensee, to represent you as a Seller's Agent, Buyer's Agent, or Disclosed Limited Agent, you should have a specific discussion with the agent about the nature and scope of the agency relationship. Whether you are a buyer or seller, you cannot make a licensee your agent without the licensee's knowledge and consent, and an agent cannot make you a client without your knowledge and consent.