

EXHIBIT 2

MEMORANDUM

City of Beaverton
Public Works Department
Engineering Division

To: Mayor Doyle and City Councilors
From: Brion Barnett, Project Engineer
Date: September 9, 2014
Subject: Agenda Bill 14177: Contract Award – Aquifer Storage and Recovery (ASR) Pump Station No. 6 Test Well Drilling Project - Supplemental Memorandum

The City received a single proposal, and a bid summary from the Finance Department is attached. The proposal was reviewed and staff has determined that Schneider Water Services of St. Paul, Oregon, submitted the only responsive bid. The base bid amount was \$236,380, and total bid amount including an additive alternative was \$243,880. The additive alternative is to allow for a different method of disposing of the water produced during the drilling operation.

The Staff recommends award of the construction contract in the amount of \$243,880 to Schneider Water Services, for the ASR Pump Station No. 6 Test Well Drilling Project, and authorize the Finance Director to include the \$243,880 appropriation in the November Supplemental Budget. Additionally, considering the base bid amount exceeded the Engineer's Estimate of \$192,000, staff plans to negotiate with Schneider Water Services in an effort to bring the cost down.

City of Beaverton
 Aquifer Storage and Recovery (ASR) NO.6 Test Well Drilling Project Solicitation #2922-15
 Bid Closes September 9, 2014 at 2pm

ITEM NO.	DESCRIPTION	UNIT	EST QTY	UNIT PRICE	TOTAL
					Schneider Water Services St. Paul, OR
	Mobilization and Demobilization including all equipment and incidental items for installing and testing the piezometer, including site prep and permitting	LS	1	\$ 69,800.00	\$ 69,800.00
2	Erosion Control	LS	1	\$ 4,800.00	\$ 4,800.00
3	Water Management	LS	1	\$ 14,700.00	\$ 14,700.00
	Well Drilling and Installation				
4	Drill 10-inch nominal borehole from 0 to 30 feet below ground surface and furnish, install and remove temporary casing as needed	LF	30	\$ 244.00	\$ 7,320.00
5	Furnish and install 6-inch nominal 0.250-inch wall low carbon steel casing	LF	30	\$ 39.00	\$ 1,170.00
6	Install bentonite seal	LF	30	\$ 94.00	\$ 2,820.00
7	Drill 6-inch nominal borehole from 30 to 350 feet below ground surface using conventional air drilling methods	LF	320	\$ 39.00	\$ 12,480.00
8	Drill 6-inch nominal borehole from 350 to 1000 feet below ground surface using flooded reverse circulation drilling	LF	650	\$ 97.00	\$ 63,050.00
9	Provide support and necessary equipment including injection pipe during planned short-term falling head tests during drilling from 350 - 1000 feet below ground surface.	Hours	16	\$ 460.00	\$ 7,360.00
10	Conduct well development	Hours	12	\$ 460.00	\$ 5,520.00
11	Video log	LS	1	\$ 1,400.00	\$ 1,400.00
12	Standby Time	Hours	8	\$ 200.00	\$ 1,600.00
13	Preauthorized Rig Time	Hours	16	\$ 460.00	\$ 7,360.00
	Basalt Aquifer Testing				
14	Furnish, install necessary equipment including drop pipe to complete a step-rate injection and long-term injection tests.	LS	1	\$ 11,800.00	\$ 11,800.00
15	Perform step-rate injection test	Hours	8	\$ 460.00	\$ 3,680.00
16	Perform long-term injection test (120-hours for injection and up to 120 hours for recovery)	LS	1	\$ 19,600.00	\$ 19,600.00
	Miscellaneous				
17	Well Disinfection and Installation of flush grade well cover	LS	1	\$ 1,920.00	\$ 1,920.00
18	Extra Work as Authorized *	LS	1	\$ -	\$ -
	GRAND TOTAL BID AMOUNT (Items 1 through 18)				\$ 236,380.00
	ADDITIVE ALTERNATIVE NO.1- WASTEWATER DISCHARGE TO STORMWATER				
	Discharge wastewater from piezometer development and testing to stormwater retention pond	LS	1	\$ 7,500.00	\$ 7,500.00
	GRAND TOTAL BID AMOUNT (Items 1 through 18 Plus Additive Alternate No. 1)				\$ 243,880.00

AGENDA BILL
Beaverton City Council
Beaverton, Oregon

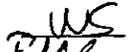
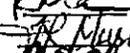
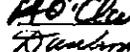
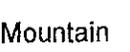
SUBJECT: Bid Award – Purchase of Real Property for
the Aquifer Storage and Recovery (ASR)
Pump Station No. 6 Project

FOR AGENDA OF: 9-09-14 **BILL NO:** 14178

Mayor's Approval: 

DEPARTMENT OF ORIGIN: PW 

DATE SUBMITTED: 8-26-14

CLEARANCES: City Attorney 
CAO 
Purchasing 
Finance 
Engineering 

PROCEEDING: CONSENT AGENDA
(CONTRACT REVIEW BOARD)

- EXHIBITS:**
1. Reserve at Cooper Mountain
Tax Lot Map
 2. Draft ASR No. 6 Site Layout
 3. Standard Real Estate
Agreement

BUDGET IMPACT

EXPENDITURE	AMOUNT	APPROPRIATION
REQUIRED \$320,000*	BUDGETED 0**	REQUIRED \$320,000*

* \$320,000 is the estimated expenditure amount for the purchase of land to develop future ASR No. 6 Pump Station.
** Account Number 505-75-3620-652 – Water Construction Fund – Right of Way – Construction Account.

RECOMMENDED ACTION:

City Council, acting as the Contract Review Board, authorizes the Mayor to execute the purchase of real property for the Aquifer Storage and Recovery (ASR) Pump Station No. 6 Project (CIP 4021F) in a form approved by the City Attorney, and directs the Finance Director to include the additional \$320,000 in the FY 2014-15 November Supplemental Budget.

HISTORICAL PERSPECTIVE:

Since 1999, the City has used ASR as an alternative means to increase summer time drinking water supply by up to five million gallons each day (mgd). Currently, the City's winter time drinking water demand is about six mgd by comparison. Beaverton's ASR technology plays a vital role in meeting peak season water demand, which just topped out at 12.2 mgd for the day on August 11. Last summer, drinking water from ASR wells represented about 25 percent of the total volume of water consumed by Beaverton residents. Beaverton's ASR program involves injecting treated drinking water from the Joint Water Commission (JWC) water treatment plant into natural underground basalt formations (aquifers), where it is stored for later use.

The JWC completed an extensive ASR program study in 2011, which includes a long term master plan, and test drilling results. Subsequently, the State of Oregon issued a Limited License to the JWC. Beaverton has a one-third share of the JWC ASR limited license allowing for up to 600 million gallons of water storage in the Cooper Mountain underground aquifer in the future. The JWC ASR study identified four potential ASR sites within the Reserve at Cooper Mountain (RCM) subdivision as a likely location of a future ASR facility. The RCM is a newer subdivision located at the top of Nora Road at its westerly

terminus at about elevation 500. The subdivision is wholly owned by Pahlisch Homes and is being quickly built out. City staff have designated the potential ASR site in this area as ASR No. 6 for Beaverton's program.

INFORMATION FOR CONSIDERATION:

In March 2014, a study was completed by the City's hydrogeological consultant of record, GSI Water Solutions, Inc., (teamed with an engineering consultant), which further identified specific lots within the RCM subdivision for possible development of ASR No. 6. Based on the comprehensive work completed for this ASR assessment, a development plan is recommended to:

- Perform test well drilling in the vicinity to determine the feasibility of ASR, which would include installation of a monitoring well in order to collect hydrogeologic data to help guide the next ASR development (the subject of a separate agenda bill).
- Purchase land at the RCM.
- Assuming monitoring well data and hydrogeologic response data are positive, develop a large-diameter ASR production well and pumping station.

Lots 39 and 40 from the RCM (Exhibit 1) have been identified as key lots located in the subdivision and a further feasibility study has supported that the location is well-suited for a future ASR well and pumping station, should successful test drilling prove that the hydrogeology of the site has the characteristics and capacity to host a large-diameter production ASR well. A couple of primary considerations when siting ASR locations are:

- Proximity of existing infrastructure needed to inject water into the potential aquifer, and
- Ability to dispose of turbid water generated during pump to waste operations.

In this case, Lots 39 and 40 are both ideally located directly adjacent to a large water transmission main and a City owned stormwater detention pond. The feasibility study determined that two lots are necessary to provide adequate construction access and provide the flexibility needed to design the house exterior to blend in with the neighborhood (Exhibit 2). For perspective, the City's ASR No. 4 pump station was built on two lots for the same reasons.

Considering the fast pace of development in the RCM subdivision (Lot 38 is already being developed), City staff have been negotiating with Pahlisch Homes to purchase Lots 39 and 40. The sale price for Lot 39 is \$170,000 and the sale price for Lot 40 is \$150,000. Under the terms of the standard sales agreement (Exhibit 3), the City would pay monthly non-refundable deposits of \$5000 for each lot for the months of August through December (the estimated time period needed to drill a test well and prove feasibility). These deposits would apply toward the sale price for each lot, and the closing date for sale of both lots is December 31, 2014.

City staff are in the process of notifying local residents in the vicinity of the proposed test well drilling activity and scheduling an Open House for the project in advance of the proposed drilling activity. Test well drilling (on SW 166th Avenue) is estimated to take approximately two months to complete, while full well development drilling on Lot 39 is expected to take three months to complete. Because the RCM is still developing and is not fully built out, staff recommends executing the purchasing agreements with the goal of drilling and developing a well on Lot 39 as soon as possible to minimize the noise impact to existing neighbors.

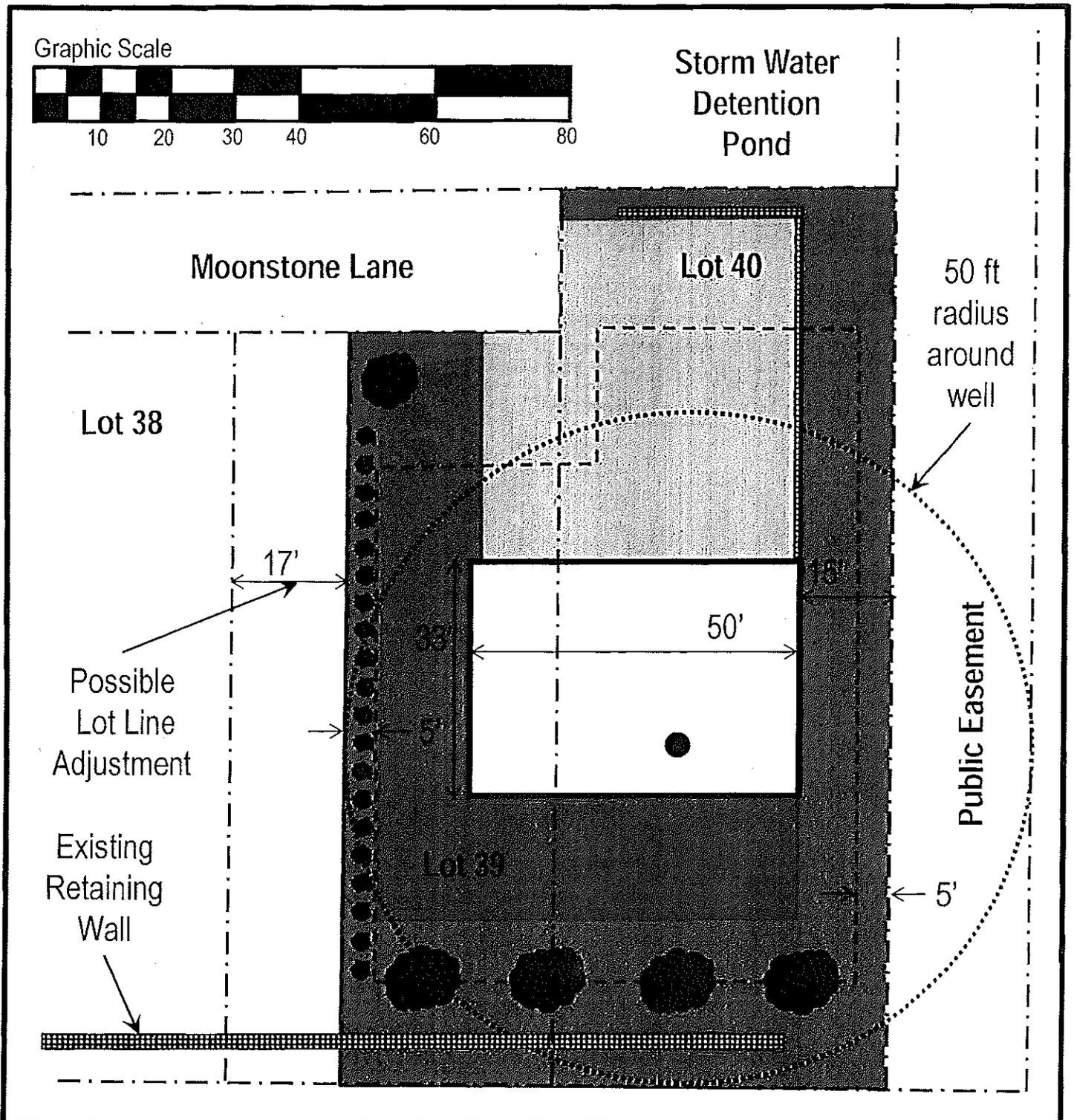
Following is a draft funding plan with future phases:

FY 2014-15 Current Phase

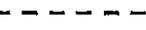
Task	Cost	Funding/Account
Test Well on SW 166 th Ave	\$200,000	505-75-3620-682
ROW/Purchase Lot.39,40	320,000	505-75-3620-652
Consultant Support	110,000	501-75-3701-683
Final Well Development (Lot 39)	730,000	505-75-3620-682
Total	\$1,360,000	

Future Phases (Time Line Not Established)

Task	Cost	Funding/Account
Final Design/Const. Documents	\$600,000	505-75-3620-682
Construction of Well House	1,500,000	505-75-3620-652
Total	\$2,100,000	



Legend

-  Retaining Wall
 -  Property Line
 -  Building Setback Limit
 -  Building Outline
 -  Well
 -  Shrub
 -  Tree
 -  Driveway / Sidewalk
 -  Barkdust Area
 -  Grass
- 

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Figure 2: Two Lot Option

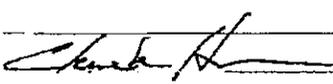




Sale Agreement # _____

FINAL AGENCY ACKNOWLEDGMENT

1 Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent
 2 to the following agency relationships in this transaction: (1) None (Name of Selling Licensee)
 3 of _____ (Name of Real Estate Firm) is the agent of (check one)
 4 Buyer exclusively ("Buyer Agency"). Seller exclusively ("Seller Agency"). Both Buyer and Seller ("Disclosed Limited Agency").
 5 (2) None (Name of Listing Licensee)
 6 of _____ (Name of Real Estate Firm) is the agent of
 7 (check one): Seller exclusively ("Seller Agency"). Both Buyer and Seller ("Disclosed Limited Agency").
 8 (3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and Licensees are supervised by the same
 9 principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both
 10 Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and
 11 Licensee(s).
 12 Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at
 13 the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this
 14 Final Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

15 Buyer _____ Print City of Beaverton Date 08/05/2014 ←
 16 Buyer _____ Print _____ Date _____ ←
 17 Seller  Print Pahlisch Homes Inc. Date 8/27/14 ←
 18 Seller _____ Print _____ Date _____ ←

VACANT LAND REAL ESTATE SALE AGREEMENT

19 **This Agreement is intended to be a legal and binding contract.**
 20 **If it is not understood, seek competent legal advice before signing. Time is of the essence of this Agreement.**

21 **1. DEFINITIONS:** All references in this Agreement to "Licensee" and "Firm" shall refer to Buyer's and Seller's real estate agents licensed in the
 22 State of Oregon and the respective real estate companies with which they are affiliated. Licensee(s) and Firm(s) identified in the Final Agency
 23 Acknowledgment Section above are not parties to this Agreement, except as may be expressly applicable. Unless otherwise provided herein: (1)
 24 Time calculated in days after the date Buyer and Seller have signed this Agreement shall start on the first full business day after the date of Seller's
 25 signature indicating acceptance of Buyer's offer or counteroffer, or Buyer's signature indicating acceptance of Seller's counteroffer; (2) Written
 26 notices required or permitted under this Agreement to be delivered to Buyer or Seller may be delivered to their respective Licensee with the same
 27 effect as if delivered to that Buyer or Seller; (3) A "business day" shall mean Monday through Friday, except recognized legal holidays as
 28 enumerated in ORS 187.010 and 187.020.

29 **2.1 PRICE/PROPERTY DESCRIPTION:** Buyer (print name(s)) City of Beaverton
 30 _____
 31 offers to purchase from Seller (print name(s)) Pahlisch Homes Inc.
 32 the following described real property (hereinafter "the Property") situated in the State of Oregon, County of Washington,
 33 and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.)
 34 9450 SW 166th Terrace (Tax Lot 1a130DA06600)
 35 Beaverton, OR

36 (Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with
 37 Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)
 38 for the Purchase Price (in U.S. currency) of _____ A \$ 170,000.00
 39 on the following terms: Earnest money herein received for _____ B \$ _____
 40 on _____, as additional earnest money, the sum of _____ C \$ See line 95
 41 at or before Closing, the balance of down payment _____ D \$ _____
 42 at Closing and upon delivery of DEED CONTRACT the balance of the Purchase Price F _____ E \$ 170,000.00
 (Lines B, C, D and E should equal Line A)

Buyer Initials _____ / _____ Date _____

Seller Initials CH / _____ Date 8/27/14

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Sale Agreement # _____

44 **2.2 BALANCE OF PURCHASE PRICE. (Select A or B)**

45 **A.** This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds as follows (select only one): Buyer
46 has attached a copy of the Verification with the submission of this Agreement to Seller or Listing Licensee. Buyer will provide Seller or Listing
47 Licensee with the Verification within _____ business days (five [5] if not filled in) following mutual acceptance of this Agreement; or Other
48 (Describe): _____
49 Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within _____ business days (five [5]
50 if not filled in) ("Disapproval Period") following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly
51 refunded and this transaction shall be terminated. If Seller fails to provide Buyer or Selling Licensee with written unconditional disapproval
52 of the Verification by Midnight of the Disapproval Period, Seller shall be deemed to have approved the Verification. If Buyer fails to
53 submit a Verification within a time frame selected above, unless the parties agree otherwise in writing, all earnest money deposits shall
54 be promptly refunded and this transaction shall be terminated.

55 **B.** Balance of Purchase Price to be financed as follows (Select only one): Conventional;
56 Other (Describe): N/A (hereinafter "Loan
57 Program"). Buyer agrees to seek financing through a lending institution ("Lender") participating in the Loan Program identified above.

58 **Pre-Approval Letter.** Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker; Buyer does not have a
59 Pre-Approval Letter at the time of making this offer; Buyer agrees to secure a Pre-Approval Letter as follows: N/A
60

61 **3.1 FINANCING CONTINGENCIES.** If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing
62 contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and,
63 (3) Other (Describe): N/A
64

65 All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

66 **3.2 FAILURE OF FINANCING CONTINGENCIES.** If Buyer receives actual notification that any Financing Contingencies identified above have
67 failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have _____ business days (two [2] if not filled in) following
68 the day of Seller's receipt of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other
69 similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to
70 continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time
71 period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer
72 understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon
73 any price and terms as Seller determines, in Seller's sole discretion.

74 **3.3 BUYER REPRESENTATION REGARDING FINANCING:** As of the date of signing this Agreement, Buyer makes the following
75 representations to Seller:

- 76 (1) Buyer shall apply for a loan not later than _____ business days (three [3] if not filled in) following the date Buyer and Seller have signed this
77 Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all
78 application, appraisal and processing fees, where applicable) to obtain the loan;
- 79 (2) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Contingency
80 Period in Section 11.2 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Inspection Period.
- 81 (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to Close the transaction described
82 herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or Closing of other property, 401K disbursements, etc.),
83 except as follows (describe):
84 _____
85 _____

86 (4) Buyer authorizes Buyer's Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer's
87 loan application status.

88 (5) Buyer shall promptly notify Seller or Seller's Licensee if, after signing this Agreement, Buyer substitutes another lender for any reason. Buyer
89 shall not be permitted to select a Loan Program different than the one selected in Section 2.2 (B) above, without Seller's advance written consent.

90 (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer's financing and the timing of
91 Closing.

92 **3.4 INSURANCE.** If the Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition
93 of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty/flood insurance that will be secured for the
94 Property.

95 **4. ADDITIONAL PROVISIONS:** Non-refundable deposit of \$5,000 due on 8/1, 9/1, 10/1, 11/1 and _____

Buyer Initials _____ / _____ Date _____

Seller Initials SH / _____ Date 8/27/14

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VACANT LAND REAL ESTATE SALE AGREEMENT - Page 2 of 9

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Untitled



96 12/1 each. Unless sale closes prior to any of these dates.
97 See Addendum 1
98 _____
99 _____ For additional provisions, see Addendum _____

100 **5. TITLE INSURANCE:** Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report
101 and the recorded covenants, conditions and restrictions ("the Report and CC&Rs") showing the condition of title to the Property. (If not fully
102 understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice.
103 Neither the Listing nor Selling Licensee is qualified to advise on specific legal or title issues.) Upon signature and acceptance of this
104 Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order the Report and CC&Rs from an Oregon title insurance
105 company and furnish them to Buyer. Upon receipt of the Report and CC&Rs, Buyer shall have _____ business days (five [5] if not filled in) within
106 which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs which is/are unacceptable to Buyer ("the Objections"). Buyer's
107 failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the Report and/or CC&Rs.
108 However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 6 below. If, within _____
109 business days (five [5] if not filled in) following receipt of the Objections, if any, Seller fails to remove or correct the matters identified in the
110 Objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be
111 promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in
112 writing. Within thirty (30) days after Closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title
113 in the Property to Buyer in the amount of the purchase price, free and clear of the Objections and all other title exceptions agreed to be removed as
114 part of this transaction. (Note: This Section 5 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In some
115 areas of the country, such a payment might be regarded as a "seller concession." Under the amended Real Estate Settlement
116 Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations, regulations and disclosure requirements on "seller
117 concessions" unless the product or service paid by the Seller was one customarily paid by the Seller. In Oregon, sellers customarily and
118 routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 5 are modified in
119 writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's
120 standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law.)

121 **6. DEED:** Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
122 trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet
123 payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property,
124 covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 5 above.

125 **7. SELLER-CARRIED FINANCING (E.G. LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,
126 ETC.):** Note: State and federal laws and regulations provide that under certain circumstances, offering or negotiating the terms of seller-carried
127 financing must be performed by a Mortgage Loan Originator (see, ORS86A.200(4)), and the terms of such financing may have to comply with
128 certain consumer protection disclosures rules. Your real estate licensee is not qualified to provide these services or to advise you in this regard.
129 Legal advice is strongly recommended. If this transaction is to include a land sale contract, trust deed, mortgage or option agreement between
130 Buyer and Seller, the parties shall agree upon the terms and conditions of such document not later than _____ business days (ten [10] if not
131 filled in) after the date Buyer and Seller have signed and accepted this Sale Agreement. Upon failure of Buyer and Seller to reach agreement as to
132 the terms and conditions of the document within said time period, this transaction shall automatically terminate, all parties shall cooperate in
133 signing such documentation reasonably necessary to effect a termination of this transaction and a refund of all deposits, if any, to Buyer. Caveat:
134 The additional documents identified in this Section 7 can have legally binding consequences, and Buyer and Seller are strongly
135 encouraged to secure competent legal advice before entering into such agreements. If Escrow (as defined in Section 12) is instructed to
136 prepare the note and trust deed or mortgage to be used in this transaction, state statute requires that Buyer and Seller receive from
137 Escrow, at least three (3) days prior to Closing (as defined in Section 13), a statutory notice and a copy of the proposed documents
138 This requirement cannot be waived by Buyer or Seller without the approval of both of their respective Oregon-licensed attorneys

139 **8. SELLER REPRESENTATIONS:** Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the
140 following representations to Buyer:

- 141 (1) The Property is served by and/or connected to (check all that apply): a public sewer system; an on-site sewage system; a
142 public water system; a private well and/or shared well; other (e.g., surface springs, cistern, etc.) described: All utilities
143 are available in the street should buyer choose to connect. none of the preceding.
- 144 (2) The Property will be in substantially its present condition at the time Buyer is entitled to possession.
- 145 (3) Seller has no notice of any liens or assessments to be levied against the Property.
- 146 (4) Seller has no notice from any governmental agency of a condemnation, environmental, zoning or similar proceeding, existing or
147 planned, which could detrimentally affect the use, development, or value of the Property.
- 148 (5) Seller knows of no material defects in or about the Property.

Buyer Initials _____ / _____ Date _____

Seller Initials CA / _____ Date 2/27/14

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- 149 (6) Seller has no notice from any governmental agency of any violation of law relating to the Property.
- 150 (7) Seller has no knowledge of any of the following matters affecting the use or operation of the Property: (a) past or present non-
- 151 resource uses (e.g., cemeteries, landfills, dumps, etc.); (b) unrecorded access easements or agreements (e.g., for harvesting, fishing,
- 152 hunting, livestock movement and pasture, etc.); (c) state or federal agreements/requirements regarding crops, grazing, reforestation,
- 153 etc.; (d) supplier agreements, production processing commitments or other similar contracts.
- 154 (8) Well(s), water source(s), and/or water district resources have been adequate under Seller's current usage of the Property.
- 155 (9) Water rights (e.g., irrigation, agricultural), for not less than 0 acres, have been utilized and applied for beneficial use within the
- 156 last five (5) years and are current and shall be transferred to Buyer at Closing. Water rights may be subject to certain conditions. Buyer
- 157 should verify compliance with appropriate agency.
- 158 (10) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges,
- 159 landscaping, structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal
- 160 description of the Property.
- 161 (11) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.
- 162 Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition which could result in
- 163 making any previously disclosed material information relating to the Property substantially misleading or incorrect. These
- 164 representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1) through (11)
- 165 are: None.

166
 167 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute
 168 for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of
 169 professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for
 170 Buyer's intended use. Neither the Listing nor Selling Licensee shall be responsible for conducting any inspection or investigation of any
 171 aspects of the Property.

172 9. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property
 173 Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent.

174 10. PRIVATE WELL: Does the Property contain a Private Well? Yes No If the property contains a private well, the OREF-082 Private
 175 Well Addendum will be attached to this Sale Agreement.

176

INSPECTIONS: (CHECK ONLY ONE ROW)

177 **11.1 ENVIRONMENTAL HEALTH CONDITIONS:** The following list identifies some, but not all, environmental conditions that may be found in and
 178 around all real property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other
 179 contaminants in drinking water and well water, lead based paint, mold and mildew, radon, and leaking underground storage tanks. If Buyer has any
 180 concerns about these conditions or others, Buyer is encouraged to secure the services of a professional inspector, consultant, or health expert, for
 181 information and guidance. Neither the listing nor selling licensees are experts in environmental health hazards or conditions. For additional
 182 information, go to the Oregon Association of Realtors' Buyer advisory at: <http://www.oregonrealtors.org> and the Oregon Public Health Division at
 183 <http://public.health.oregon.gov/Pages/Homes.aspx>

184 **11.2 INSPECTIONS:** Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s),
 185 relating to such matters as soil condition/compaction/stability, environmental issues, survey, zoning, availability of utilities, and
 186 suitability for Buyer's intended purpose. Neither the Listing nor Selling Licensee is qualified to conduct such inspections and shall not
 187 be responsible to do so. For further details, Buyer is encouraged to review the Buyer Advisory at "<http://www.oregonrealtors.org>".

188 **PROFESSIONAL INSPECTIONS:** At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by
 189 one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which
 190 may include testing or removal of any portion of the Property including radon and mold. Buyer understands that Buyer is responsible for the
 191 restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have _____ business days (ten
 192 [10] if not filled in), after the date Buyer and Seller have signed this Agreement, (hereinafter "the Inspection Period") in which to complete
 193 all inspections and negotiate with Seller regarding any matters disclosed in any inspection report. However, during the Inspection Period,
 194 Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a written and signed modification
 195 is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's unconditional disapproval

Buyer Initials _____ / _____ Date _____

Seller Initials CH / _____ Date 8/27/14

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196 of the Property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this
197 transaction shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to
198 provide Seller or Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day
199 of the inspection Period, Buyer shall be deemed to have accepted the condition of the Property. Note that if, prior to expiration of the
200 inspection Period, written agreement is reached with Seller regarding ALL Buyer's requested repairs, the inspection Period shall
201 automatically terminate, unless the parties agree otherwise in writing.

202 ALTERNATIVE INSPECTION PROCEDURES: OREF-058 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION
203 ADDENDUM _____ is attached to this Agreement.

204 BUYER'S WAIVER OF INSPECTION OF CONTINGENCY: Buyer represents to Seller and all Licensees and Firms that Buyer is fully
205 satisfied with the condition of the Property and all elements and systems thereof and knowingly and voluntarily elects to waive the right to have
206 any inspections performed as a contingency to the Closing of the transaction. Buyer's election to waive the right of inspection is solely Buyer's
207 decision and at Buyer's own risk.

208 **12. ESCROW:** This transaction shall be Closed at Fidelity National Title - Sam Coold
209 ("Escrow"), a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless
210 otherwise provided herein. Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary
211 title report and owner's title policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of
212 furnishing such policy, Seller's recording fees, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before
213 Closing. Buyer shall deposit with Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any.
214 Real estate fees, commissions or other compensation for professional real estate services provided by Listing and/or Selling Firms shall be paid at
215 Closing in accordance with the listing agreement, buyer service agreement or other written agreement for compensation.

216 **13. CLOSING:** Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event later than
217 December 31, 2014 ("the Closing Deadline"). The terms "Closed", "Closing" or "Closing Date" shall mean when the deed or
218 contract is recorded and funds are available to Seller. Buyer and Seller acknowledge that for Closing to occur by the Closing Deadline, it
219 may be necessary to execute documents and deposit funds in Escrow prior to that date. Caveat: Section 7 above requires three (3) days
220 prior to the Closing Deadline if Escrow is to prepare a note and a deed of trust or mortgage.

221 **14. POSSESSION:** Seller shall deliver possession of the Property to Buyer (select one):
222 (1) by 5:00 p.m. on Closing;
223 (2) by _____ a.m. p.m. _____ days after Closing;
224 (3) by _____ a.m. p.m. on the _____ day of _____.

225 **15. PRORATIONS:** Prorates for rents, current year's taxes, interest on assumed obligations, and other prepaid expenses attributable to the
226 Property shall be as of: (check one) the Closing Date; date Buyer is entitled to possession; or _____.

227 **16. ESCROW DEPOSIT:** Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a copy of this Agreement marked
228 "rejected" by Seller or of Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon
229 your receipt of a copy of this Agreement signed by Buyer and Seller set up an escrow account and proceed with Closing in accordance with the
230 terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute between
231 Buyer and Seller), you are to hold all earnest money deposits until you receive written instructions from Buyer and Seller, or a final ruling from a
232 court or arbitrator, as to disposition of such deposits.

233 **17. EARNEST MONEY PAYMENT/REFUND:** If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but
234 fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein
235 provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) falls through
236 no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a
237 waiver of other legal remedies available to Buyer. If Seller signs and accepts this Agreement and title is marketable; and (1) Buyer has
238 misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to
239 redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform
240 any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as
241 otherwise allowed under Oregon law, and this transaction shall be terminated. It is the intention of the parties that Seller's sole remedy against
242 Buyer for Buyer's failure to Close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein.

Buyer Initials _____ / _____ Date _____

Seller Initials CA / _____ Date 8/27/14

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243 18. **BINDING EFFECT/CONSENT:** This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and
244 Seller. However, Buyer's rights under this Agreement or in the Property are not assignable without prior written consent of Seller.

245 19.1 **SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS.** Subject to certain exceptions, Escrow is required to withhold
246 a portion of Seller's proceeds if they are a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to execute
247 and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of
248 Oregon law.

249 19.2 **SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING OBLIGATIONS.** Seller is advised that upon Closing, Federal law, known as the
250 Foreign Investment in Real Property Tax Act ("FIRPTA"), allows an escrow company, if they agree, to withhold a portion of Seller's proceeds if the real
251 property is located within the United States and Seller is a "foreign person." A "foreign person" includes a non-resident alien individual, foreign corporation,
252 foreign partnership, foreign trust and foreign estate. The amount deducted from Seller's proceeds is ten percent (10%) of the gross sales price and is required
253 to be delivered over to the Internal Revenue Service ("IRS") within twenty (20) days of the closing of the transaction. Buyer may become responsible for
254 payment if FIRPTA applies and Escrow is not instructed to withhold the funds. FIRPTA will not apply to this transaction so long as: (a) The sale price is
255 \$300,000 or less; (b) The Property is to be used by Buyer as a residence; and, (c) Buyer is an individual. Where applicable, Buyer and Seller agree to execute
256 and deliver, as appropriate, any instrument, affidavit or statement, reasonably requested by Escrow to carry out the provisions of FIRPTA. **NOTE: AT SECTION**
257 **8 OF THIS AGREEMENT, SELLER REPRESENTS THAT SELLER IS NOT A "FOREIGN PERSON" (HEREINAFTER "SELLER'S NON-FIRPTA STATUS"). IF SELLER IS**
258 **UNSURE, SELLER SHOULD FIRST CONFER WITH SELLER'S TAX COUNSEL OR CPA BEFORE ENTERING INTO THIS TRANSACTION. IN SUBMITTING THIS OFFER, BUYER**
259 **REPRESENTS THAT BUYER HAS NO KNOWLEDGE, INFORMATION, OR BELIEF THAT SELLER IS A FOREIGN PERSON OR THAT THIS TRANSACTION IS SUBJECT TO FIRPTA.**
260 **SELLER ACKNOWLEDGES THAT BUYER, LISTING AND SELLING LICENSEES, THEIR RESPECTIVE FIRMS, AND ESCROW, ITS AGENTS, EMPLOYEES, AND**
261 **REPRESENTATIVES SHALL HAVE THE ABSOLUTE RIGHT TO RELY UPON SELLER'S REPRESENTATION OF SELLER'S NON-FIRPTA STATUS AT SECTION 8, ABOVE.**
262 **THIS RIGHT OF RELIANCE SHALL CONTINUE THROUGH THE CLOSING DATE AND THEREAFTER, UNLESS SELLER HAS DISCLOSED OTHERWISE IN A WRITTEN COUNTER-**
263 **OFFER OR ADDENDUM TO THIS SALE AGREEMENT. IF AT ANY TIME DURING THIS TRANSACTION, IT IS DETERMINED THAT SELLER'S REPRESENTATION OF SELLER'S**
264 **NON-FIRPTA STATUS WAS INCORRECT, FOR ANY REASON, SELLER AND BUYER HEREBY APPOINT AND INSTRUCT ESCROW TO ACT AS THE QUALIFIED SUBSTITUTE**
265 **FOR BUYER AS DEFINED BY THE IRS, FOR PURPOSES OF PREPARING THE NECESSARY PAPERWORK, WITHHOLDING THE NECESSARY FUNDS, AND REMITTING THE**
266 **SAME TO THE IRS. IF FOR ANY REASON, ESCROW DECLINES TO ACT AS A QUALIFIED SUBSTITUTE, ESCROW IS REQUESTED TO PROMPTLY NOTIFY SELLER AND**
267 **BUYER IN A TIMELY MANNER SO THEY MAY MAKE OTHER ARRANGEMENTS PRIOR TO THE SCHEDULED CLOSING. SELLER AND BUYER ACKNOWLEDGE THAT IF**
268 **FIRPTA APPLIES TO THIS TRANSACTION, ESCROW'S ROLE AS A QUALIFIED SUBSTITUTE MAY RESULT IN A DELAY IN CLOSING THIS TRANSACTION, UNLESS**
269 **OTHERWISE PROVIDED IN THIS SALE AGREEMENT OR ANY SUBSEQUENT SIGNED WRITTEN AGREEMENT BETWEEN SELLER AND BUYER. CONFIRMATION OF SELLER'S**
270 **NON-FIRPTA STATUS IS NOT A CONTINGENCY IN THIS TRANSACTION.**

271 20. **APPROVED USES:** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT
272 PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST
273 ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR
274 FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
275 TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO
276 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009,
277 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
278 ACQUIRING FREE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT
279 TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS
280 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION
281 FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300,
282 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER
283 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010."

284 21. **IRC 1031 EXCHANGE:** In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to
285 cooperate with them, and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the Close of
286 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
287 contingency to the Closing of this transaction.

288 22. **LEVY OF ADDITIONAL PROPERTY TAXES:** The Property: (check one) is is not specially assessed for property taxes (e.g., farm,
289 forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is
290 current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this
291 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically
292 provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be
293 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the
294 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole

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Seller Initials CK / _____ Date 8/27/14

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295 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and
296 hold Seller responsible to pay into Escrow all deferred and/or additional taxes and interest which may be levied or recaptured against the Property
297 and shall hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or
298 damages arising from a breach of this Section 22.

DISPUTE RESOLUTION INVOLVING BUYERS AND SELLERS ONLY

299 **23. DISPUTE RESOLUTION BETWEEN BUYER AND SELLER:** Buyer and Seller agree that all claims, controversies and disputes between
300 them, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be
301 resolved in accordance with the procedures set forth herein, which shall expressly survive Closing or earlier termination of this Agreement.
302 Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed,
303 land sale contract or recorded construction lien; or (2) a forcible entry and detainer action (eviction). The filing in court for the issuance of any
304 provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty
305 to utilize the dispute resolution procedures specified herein. In the event of any suit, action or arbitration relating to the enforcement or interpretation
306 of this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall be placed in the State of Oregon for all purposes.

307 **24. SMALL CLAIMS BETWEEN BUYER AND SELLER:** Notwithstanding the following Sections, Buyer and Seller agree that all Claims that are
308 within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.

309 **25. MEDIATION BETWEEN BUYER AND SELLER:** If Buyer or Seller were represented in this transaction by a Licensee whose principal
310 broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the
311 Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation
312 program (collectively "the System"). Provided, however, if Licensee's principal broker is not a member of the National Association of REALTORS®
313 or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation either
314 through: (1) the special mediation program administered by Arbitration Service of Portland ("ASP"), or (2) any other impartial private mediator(s) or
315 program(s) so long as such services are available in the county where the Property is located, as selected by the party first filing for mediation.

316 **26. ARBITRATION BETWEEN BUYER AND SELLER:** All Claims between Buyer and Seller that have not been resolved by mediation, or
317 otherwise, shall be submitted to final and binding private arbitration in accordance with Oregon laws. Filing for arbitration shall be treated the same
318 as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Buyer or Seller may file Claims
319 either with ASP or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected
320 alternative service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct
321 the hearing in the county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its
322 conclusion. **BY CONSENTING TO THIS PROVISION BUYER AND SELLER ARE AGREEING THAT DISPUTES ARISING UNDER THIS
323 AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND BUYER AND SELLER ARE GIVING UP
324 THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED
325 UNDER OREGON LAW.**

326 **27. ATTORNEY FEES IN CLAIMS BETWEEN BUYER AND SELLER:** The prevailing party in any suit, action or arbitration (excluding those
327 Claims filed in Small Claims Court) between Buyer and Seller shall be entitled to recovery of all reasonable attorney fees and costs and
328 disbursements as defined in ORCP 68 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was
329 available to Buyer or Seller when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to
330 the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon,
331 the filing in arbitration or court.

DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

332 **28. SMALL CLAIMS COURT AND ARBITRATION:** All claims, controversies or disputes relating to this transaction, including those for
333 rescission, in which a Licensee or Firm identified in the Final Agency Acknowledgment Section above is named or included as a party, shall be
334 resolved exclusively as follows: (1) If within the jurisdictional limit of Small Claims Court, the matter shall be brought and decided there, in lieu of
335 arbitration or litigation in any other forum. (2) All other claims, controversies or disputes involving such Licensee or Firm shall be resolved through
336 final and binding arbitration using the arbitration selection process described in Section 26, above. Filing for arbitration shall be treated the same
337 as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. This Section 28 shall be in lieu
338 of litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or informal mediation at
339 any time, but shall not be required to do so under this Section 28. This Section 28 shall not apply to those matters in which: (a) The claim,
340 controversy or dispute is exclusively between REALTORS® and is otherwise required to be resolved under the Professional Standards Arbitration
341 provisions of the National Association of REALTORS®; (b) Licensee or Firm has agreed to participate in alternative dispute resolution in a prior
342 written listing, service or fee agreement with Buyer or Seller, or (c) Licensee or Firm is Buyer or Seller in this transaction (in which case, Sections
343 23-27 shall apply). This Section 28 shall expressly survive Closing or earlier termination of this Agreement. In the event of any suit, action or
344 arbitration relating to the enforcement or interpretation of this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall
345 be placed in the State of Oregon for all purposes. In the event that one or more Licensees and/or Firms have been named or included in any

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Seller Initials CA / _____ Date 5/27/14

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346 claims, controversies or disputes that also include Buyer and/or Seller, the alternative dispute resolution and attorney fee provisions of
347 Sections 23-27 above shall continue to apply to Buyer and/or Seller, and this Section 28 shall apply exclusively to Licensees and/or Firms.

348 **29. RECEIPT FOR EARNEST MONEY:** Selling Firm acknowledges receipt of earnest money from Buyer in the sum of \$ _____
349 evidenced by CASH CHECK PROMISSORY NOTE payable as follows:
350 _____ business calendar (check one) days after mutual acceptance of this Agreement; or
351 on or before _____
352 Other form of Earnest Money: _____

353 **30. EARNEST MONEY INSTRUCTIONS:** Buyer instructs Selling Firm, and Selling Firm agrees, to handle the earnest money as follows
354 (check all that apply):
355 Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter
356 offers, after which time deposit it as provided herein within three (3) banking days. Deposit any earnest money funds redeemed under a
357 promissory note with _____ Deposit in Selling Firm's client trust account, and
358 thereafter/or Deposit with Escrow. In the event the earnest money is deposited in Selling Firm's trust account or with Escrow (collectively "the
359 Deposit Holder"), and the Deposit Holder has arranged to have interest on such deposit transferred to a qualified public benefit corporation for
360 distribution to organizations and individuals for first time home-buying assistance and development of affordable housing pursuant to ORS
361 696.241(6) or ORS 696.578(3), all parties acknowledge and agree that any interest accruing on the earnest money so deposited shall be
362 transferred in accordance with this provision. The preceding sentence shall be subject to any other statutes or regulations governing the
363 disposition of earnest money deposits.

364 SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE
365 PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

366 Selling Firm _____ Selling Licensee Signature _____ ←

367 Office Address _____ Phone _____ FAX _____

368 **31. COUNTERPARTS/DELIVERY:** This Agreement may be signed in multiple counterparts with the same legal effect as if all parties signed the
369 same document. This shall mean that delivery (e.g., transmissions manually by facsimile, electronic mail, overnight mail, first-class regular or
370 certified mail, etc.) of a legible true copy of a signed original of this Agreement, including but not limited to all addenda, counter offers, and legal
371 notices required thereunder, shall be treated the same as delivery of the original document.

372 **32. AGREEMENT TO PURCHASE:** Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
373 Buyer acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer
374 acknowledges that Buyer has not relied upon any oral or written statements made by Seller or any Licensee, which are not expressly
375 contained in this Agreement. Neither Seller nor any Licensee(s) warrant the square footage of any structure or the size of any land being
376 purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to
377 signing or should be made an express contingency in this Agreement.

378 Deed or contract shall be prepared in the name of _____
379 This offer shall automatically expire on (insert date) _____ at _____ a.m. p.m., (the "Offer Deadline"), if
380 not accepted by that time.

381 Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's acceptance. If Seller accepts this offer after the Offer Deadline, it
382 shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two [2] if not filled in) after the date of Seller's
383 acceptance by so indicating at Section 35 below. This offer may be accepted by Seller only in writing.

384 Buyer _____ Date _____ a.m. _____ p.m. ←
City of Beaverton

385 Buyer _____ Date _____ a.m. _____ p.m. ←

386 Address _____ Zip _____

387 Phone Home _____ Work _____ E-mail _____ Fax _____

Buyer Initials _____ / _____ Date _____

Seller Initials CU / _____ Date 1/27/14

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388 This offer was submitted to Seller for signature on the _____ day of _____, _____, at _____ a.m. _____ p.m.
389 By _____ (Licensee(s) presenting offer).

390 33. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY. Seller accepts Buyer's offer. Seller
391 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller
392 acknowledges that Seller has not relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly
393 contained in this Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 17 above, shall be
394 disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one) First to Listing Firm to the
395 extent of the agreed commission just as if the transaction had been Closed, with residue to Seller, or _____
396

397 Seller Chad Pahlisch Date 8/27/14 a.m. 5:00 p.m.
Pahlisch Homes Inc.

398 Seller _____ Date _____ a.m. _____ p.m.

399 Address _____ Zip _____
400 Phone Home _____ Work _____ E-mail _____ Fax _____

401 34. REJECTION/COUNTER OFFER: SELECT ONE: Seller does not accept the above offer, but makes the attached counter offer; Seller
402 rejects Buyer's offer.

403 Seller _____ Date _____ a.m. _____ p.m.
Pahlisch Homes Inc.

404 Seller _____ Date _____ a.m. _____ p.m.

405 Address _____ Zip _____
406 Phone Home _____ Work _____ E-mail _____ Fax _____

407 35. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response
408 is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 32 above, Buyer (select only one) agrees does
409 not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)

410 Buyer _____ Date _____ a.m. _____ p.m.
City of Beaverton

411 Buyer _____ Date _____ a.m. _____ p.m.

412 36. FIRMS/LICENSEES:

413 Selling Licensee None Selling Firm _____

414 Selling Firm Office Address _____

415 Phone _____ Phone _____ E-mail _____

416 Fax _____

417 _____

418 Listing Licensee None Listing Firm _____

420 Listing Firm Office Address _____

421 Phone _____ Phone _____ E-mail _____

422 Fax _____

423 _____

Buyer Initials _____ Date _____

Seller Initials CH Date 8/27/14

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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11



ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to: Real Estate Sale Agreement Seller's Counter Offer Buyer's Counter Offer

2 Re: Real Estate Sale Agreement No. _____ Dated _____ Addendum No. 1

3 Buyer: City of Beaverton

4 Seller: Pahlisch Homes Inc.

5 The real property described as: 9460 SW 166th Terrace, Beaverton, OR

6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED
7 ABOVE.

8 1) Due Diligence Period - Buyer shall have ninety (90) days from mutual acceptance in which to
9 examine, inspect and investigate the Property, and in Buyer's sole and absolute judgement and
10 discretion, determine whether the Property is acceptable to Buyer

11 2) Seller agrees to cooperate fully with Buyer, without expense to Seller

12 3) Buyer is responsible for repairing any damage to the property caused by Buyer/Buyer's
13 employees, agents, subcontractors or others entering the property at Buyer's request

14 4) Buyer shall indemnify and hold Seller harmless from any claim, loss or liability arising out
15 of or related to any activity by Buyer and shall be responsible for the cost of defending
16 against any such claims

17 5) Closing date may be extended with two (2) one month extensions

18 6) All earnest money deposits paid per Line 95 shall be released immediately to seller. That
19 same amount shall be applied in full to the sales price at closing.

20 7) BUYER SHALL BE OBLIGATED TO PAY STANDARD HOA FEES EVEN THOUGH A TRUE
21 "HOME" WILL NOT BE CONSTRUCTED ON THE SITE.

28 Buyer Signature _____ Date _____ a.m. _____ p.m. ←
City of Beaverton

29 Buyer Signature _____ Date _____ a.m. _____ p.m. ←

30 Seller Signature [Signature] Date 8/27/19 a.m. 3:00 p.m. ←
Pahlisch Homes Inc.

31 Seller Signature _____ Date _____ a.m. _____ p.m. ←

32 Selling Licensee None Listing Licensee None

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Sale Agreement #

FINAL AGENCY ACKNOWLEDGMENT

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction: (1) None (Name of Selling Licensee) of (Name of Real Estate Firm) is the agent of (check one): Buyer exclusively ("Buyer Agency"). Seller exclusively ("Seller Agency"). Both Buyer and Seller ("Disclosed Limited Agency"). (2) None (Name of Listing Licensee) of (Name of Real Estate Firm) is the agent of (check one): Seller exclusively ("Seller Agency"). Both Buyer and Seller ("Disclosed Limited Agency"). (3) If both parties are each represented by one or more Licensees in the same Real Estate Firm, and Licensees are supervised by the same principal broker in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Licensee(s). Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

Buyer Print City of Beaverton Date 08/05/2014
Buyer Print Date
Seller Print Pahlisch Homes Inc. Date 08/05/2014
Seller Print Date

VACANT LAND REAL ESTATE SALE AGREEMENT

This Agreement is intended to be a legal and binding contract. If it is not understood, seek competent legal advice before signing. Time is of the essence of this Agreement.

1. DEFINITIONS: All references in this Agreement to "Licensee" and "Firm" shall refer to Buyer's and Seller's real estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated. Licensee(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be expressly applicable. Unless otherwise provided herein: (1) Time calculated in days after the date Buyer and Seller have signed this Agreement shall start on the first full business day after the date of Seller's signature indicating acceptance of Buyer's offer or counteroffer, or Buyer's signature indicating acceptance of Seller's counteroffer; (2) Written notices required or permitted under this Agreement to be delivered to Buyer or Seller may be delivered to their respective Licensee with the same effect as if delivered to that Buyer or Seller; (3) A "business day" shall mean Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020.

2.1 PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) City of Beaverton offers to purchase from Seller (print name(s)) Pahlisch Homes Inc. the following described real property (hereinafter "the Property") situated in the State of Oregon, County of Washington and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.) 9450 SW 166th Terrace (Tax Lot 18130DA067000) Beaverton, OR

(Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.) for the Purchase Price (in U.S. currency) of A \$ 150,000.00 on the following terms: Earnest money herein receipted for B \$ on as additional earnest money, the sum of C \$ See line 95 at or before Closing, the balance of down payment D \$ at Closing and upon delivery of DEED CONTRACT the balance of the Purchase Price F E \$ 150,000.00 (Lines B, C, D and E should equal Line A)

Buyer Initials / Date

Seller Initials CH / Date 8/27/14

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44 **2.2 BALANCE OF PURCHASE PRICE.** (Select A or B)

45 A. This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds as follows (select only one): Buyer
46 has attached a copy of the Verification with the submission of this Agreement to Seller or Listing Licensee. Buyer will provide Seller or Listing
47 Licensee with the Verification within _____ business days (five [5] if not filled in) following mutual acceptance of this Agreement; or Other
48 (Describe): _____

49 Seller may notify Buyer or Buyer's Licensee, in writing, of Seller's unconditional disapproval of the Verification within _____ business days (five [5]
50 if not filled in) ("Disapproval Period") following its receipt by Seller or Listing Licensee, in which case, all earnest money deposits shall be promptly
51 refunded and this transaction shall be terminated, if Seller fails to provide Buyer or Selling Licensee with written unconditional disapproval
52 of the Verification by Midnight of the Disapproval Period, Seller shall be deemed to have approved the Verification. If Buyer fails to
53 submit a Verification within a time frame selected above, unless the parties agree otherwise in writing, all earnest money deposits shall
54 be promptly refunded and this transaction shall be terminated.

55 B. Balance of Purchase Price to be financed as follows (Select only one): Conventional;
56 Other (Describe): N/A _____ (hereinafter "Loan
57 Program"). Buyer agrees to seek financing through a lending institution ("Lender") participating in the Loan Program identified above.

58 Pre-Approval Letter. Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker; Buyer does not have a
59 Pre-Approval Letter at the time of making this offer; Buyer agrees to secure a Pre-Approval Letter as follows: N/A
60 _____

61 **3.1 FINANCING CONTINGENCIES.** If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing
62 contingencies: (1) Buyer and the Property to qualify for the loan from Lender; (2) Lender's appraisal shall not be less than the Purchase Price; and,
63 (3) Other (Describe): N/A
64 _____

65 All Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

66 **3.2 FAILURE OF FINANCING CONTINGENCIES.** If Buyer receives actual notification that any Financing Contingencies identified above have
67 failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have _____ business days (two [2] if not filled in) following
68 the day of Seller's receipt of such notification to either (a) Terminate this transaction by signing a Termination Agreement (OREF-057) or such other
69 similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit this transaction to
70 continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time
71 period identified herein, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer
72 understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon
73 any price and terms as Seller determines, in Seller's sole discretion.

74 **3.3 BUYER REPRESENTATION REGARDING FINANCING:** As of the date of signing this Agreement, Buyer makes the following
75 representations to Seller:

76 (1) Buyer shall apply for a loan not later than _____ business days (three [3] if not filled in) following the date Buyer and Seller have signed this
77 Agreement, and will thereafter complete all reasonably necessary papers in a timely manner and exercise best efforts (including payment of all
78 application, appraisal and processing fees, where applicable) to obtain the loan.

79 (2) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Contingency
80 Period in Section 11.2 of this Agreement, or if the Professional Inspection Addendum (OREF-058) is used, expiration of the Inspection Period.

81 (3) Buyer currently has liquid and available funds for the earnest money deposit and down payment, sufficient to Close the transaction described
82 herein, and is not relying upon any contingent source of funds (e.g., from loans, gifts, sale or Closing of other property, 401K disbursements, etc.),
83 except as follows (describe):
84 _____
85 _____

86 (4) Buyer authorizes Buyer's Lender or mortgage broker to provide non-confidential information to Listing and Selling Licensees regarding Buyer's
87 loan application status.

88 (5) Buyer shall promptly notify Seller or Seller's Licensee if, after signing this Agreement, Buyer substitutes another lender for any reason. Buyer
89 shall not be permitted to select a Loan Program different than the one selected in Section 2.2 (B) above, without Seller's advance written consent.

90 (6) Buyer agrees to keep Seller promptly informed of all other material non-confidential developments regarding Buyer's financing and the timing of
91 Closing.

92 **3.4 INSURANCE.** If the Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition
93 of the new loan. Buyer is encouraged to promptly verify the availability and cost of property/casualty/flood insurance that will be secured for the
94 Property.

95 **4. ADDITIONAL PROVISIONS:** Non-refundable deposit of \$5,000 due on 8/1, 9/1, 10/1, 11/1 and

Buyer Initials _____ / _____ Date _____

Seller Initials CA / _____ Date 8/27/14

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14



96 12/1 each Unless sale closes prior to any of these dates
97 See Addendum 1
98
99 _____

100 5. TITLE INSURANCE: Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report
101 and the recorded covenants, conditions and restrictions ("the Report and CC&Rs") showing the condition of title to the Property. (If not fully
102 understood, Buyer should immediately contact the title insurance company for further information or seek competent legal advice.
103 Neither the Listing nor Selling Licensee is qualified to advise on specific legal or title issues.) Upon signature and acceptance of this
104 Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order the Report and CC&Rs from an Oregon title insurance
105 company and furnish them to Buyer. Upon receipt of the Report and CC&Rs, Buyer shall have _____ business days (five [5] if not filled in) within
106 which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs which is/are unacceptable to Buyer ("the Objections"). Buyer's
107 failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the Report and/or CC&Rs.
108 However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to Section 6 below. If, within _____
109 business days (five [5] if not filled in) following receipt of the Objections, if any, Seller fails to remove or correct the matters identified in the
110 Objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be
111 promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in
112 writing. Within thirty (30) days after Closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title
113 in the Property to Buyer in the amount of the purchase price, free and clear of the Objections and all other title exceptions agreed to be removed as
114 part of this transaction. (Note This Section 5 provides that Seller will pay for Buyer's standard owner's policy of title insurance in some
115 areas of the country, such a payment might be regarded as a "seller concession" Under the amended Real Estate Settlement
116 Procedures Act ("RESPA"), effective on January 1, 2010 there are limitations, regulations and disclosure requirements on "seller
117 concessions" unless the product or service paid by the Seller was one customarily paid by the Seller In Oregon, sellers customarily and
118 routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 5 are modified in
119 writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's
120 standard owner's policy of title insurance is not a "seller concession" under RESPA or any other federal or state law)

121 6. DEED: Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
122 trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet
123 payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property,
124 covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 5 above.

125 7. SELLER-CARRIED FINANCING (E.G. LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,
126 ETC.): Note: State and federal laws and regulations provide that under certain circumstances, offering or negotiating the terms of seller-carried
127 financing must be performed by a Mortgage Loan Originator (see, ORS86A.200(4)), and the terms of such financing may have to comply with
128 certain consumer protection disclosures rules. Your real estate licensee is not qualified to provide these services or to advise you in this regard.
129 Legal advice is strongly recommended. If this transaction is to include a land sale contract, trust deed, mortgage or option agreement between
130 Buyer and Seller, the parties shall agree upon the terms and conditions of such document not later than _____ business days (ten [10] if not
131 filled in) after the date Buyer and Seller have signed and accepted this Sale Agreement. Upon failure of Buyer and Seller to reach agreement as to
132 the terms and conditions of the document within said time period, this transaction shall automatically terminate, all parties shall cooperate in
133 signing such documentation reasonably necessary to effect a termination of this transaction and a refund of all deposits, if any, to Buyer. Caveat.
134 The additional documents identified in this Section 7 can have legally binding consequences, and Buyer and Seller are strongly
135 encouraged to secure competent legal advice before entering into such agreements. If Escrow (as defined in Section 12) is instructed to
136 prepare the note and trust deed or mortgage to be used in this transaction, state statute requires that Buyer and Seller receive from
137 Escrow, at least three (3) days prior to Closing (as defined in Section 13), a statutory notice and a copy of the proposed documents.
138 This requirement cannot be waived by Buyer or Seller without the approval of both of their respective Oregon-licensed attorneys

139 8. SELLER REPRESENTATIONS: Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the
140 following representations to Buyer:

- 141 (1) The Property is served by and/or connected to (check all that apply): a public sewer system; an on-site sewage system; a
142 public water system; a private well and/or shared well; other (e.g., surface springs, cistern, etc.) described: All utilities
143 are available in the street should buyer choose to connect. none of the preceding.
- 144 (2) The Property will be in substantially its present condition at the time Buyer is entitled to possession.
- 145 (3) Seller has no notice of any liens or assessments to be levied against the Property.
- 146 (4) Seller has no notice from any governmental agency of a condemnation, environmental, zoning or similar proceeding, existing or
147 planned, which could detrimentally affect the use, development, or value of the Property.
- 148 (5) Seller knows of no material defects in or about the Property.

Buyer Initials _____ / _____ Date _____

Seller Initials CH Date 8/27/14

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- 149 (6) Seller has no notice from any governmental agency of any violation of law relating to the Property.
- 150 (7) Seller has no knowledge of any of the following matters affecting the use or operation of the Property: (a) past or present non-
- 151 resource uses (e.g., cemeteries, landfills, dumps, etc.); (b) unrecorded access easements or agreements (e.g., for harvesting, fishing,
- 152 hunting, livestock movement and pasture, etc.); (c) state or federal agreements/requirements regarding crops, grazing, reforestation,
- 153 etc.; (d) supplier agreements, production processing commitments or other similar contracts.
- 154 (8) Well(s), water source(s), and/or water district resources have been adequate under Seller's current usage of the Property.
- 155 (9) Water rights (e.g., irrigation, agricultural), for not less than 0 acres, have been utilized and applied for beneficial use within the
- 156 last five (5) years and are current and shall be transferred to Buyer at Closing. Water rights may be subject to certain conditions. Buyer
- 157 should verify compliance with appropriate agency.
- 158 (10) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges,
- 159 landscaping, structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal
- 160 description of the Property.
- 161 (11) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.
- 162 Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition which could result in
- 163 making any previously disclosed material information relating to the Property substantially misleading or incorrect. These
- 164 representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1) through (11)
- 165 are: None
- 166
- 167 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute
- 168 for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of
- 169 professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for
- 170 Buyer's intended use. Neither the Listing nor Selling Licensee shall be responsible for conducting any inspection or investigation of any
- 171 aspects of the Property.
- 172 9. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property
- 173 Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent.
- 174 10. PRIVATE WELL: Does the Property contain a Private Well? Yes No If the property contains a private well, the OREF-082 Private
- 175 Well Addendum will be attached to this Sale Agreement.
- 176

INSPECTIONS:

(CHECK ONLY ONE BOX)

- 177 11.1 ENVIRONMENTAL HEALTH CONDITIONS: The following list identifies some, but not all, environmental conditions that may be found in and
- 178 around all real property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other
- 179 contaminants in drinking water and well water, lead based paint, mold and mildew, radon, and leaking underground storage tanks. If Buyer has any
- 180 concerns about these conditions or others, Buyer is encouraged to secure the services of a professional inspector, consultant, or health expert, for
- 181 information and guidance. Neither the listing nor selling licensees are experts in environmental health hazards or conditions. For additional
- 182 information, go to the Oregon Association of Realtors® Buyer advisory at: <http://www.oregonrealtors.org> and the Oregon Public Health Division at
- 183 <http://public.health.oregon.gov/Pages/Homes.aspx>
- 184 11.2 INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s),
- 185 relating to such matters as soil condition/compaction/stability, environmental issues, survey, zoning, availability of utilities, and
- 186 suitability for Buyer's intended purpose. Neither the Listing nor Selling Licensee is qualified to conduct such inspections and shall not
- 187 be responsible to do so. For further details, Buyer is encouraged to review the Buyer Advisory at "<http://www.oregonrealtors.org>".
- 188 PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by
- 189 one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which
- 190 may include testing or removal of any portion of the Property including radon and mold. Buyer understands that Buyer is responsible for the
- 191 restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have _____ business days (ten
- 192 [10] if not filled in), after the date Buyer and Seller have signed this Agreement, (hereinafter "the Inspection Period") in which to complete
- 193 all inspections and negotiate with Seller regarding any matters disclosed in any inspection report. However, during the Inspection Period,
- 194 Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a written and signed modification
- 195 is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's unconditional disapproval

Buyer Initials _____ Date _____

Seller Initials CK Date 8/27/14

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Sub Agency

196 of the Property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this
197 transaction shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to
198 provide Seller or Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day
199 of the Inspection Period, Buyer shall be deemed to have accepted the condition of the Property. Note that if, prior to expiration of the
200 Inspection Period, written agreement is reached with Seller regarding ALL Buyer's requested repairs, the Inspection Period shall
201 automatically terminate, unless the parties agree otherwise in writing.

202 [] ALTERNATIVE INSPECTION PROCEDURES: OREF-058 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION
203 ADDENDUM _____ is attached to this Agreement.

204 [] BUYER'S WAIVER OF INSPECTION OF CONTINGENCY: Buyer represents to Seller and all Licensees and Firms that Buyer is fully
205 satisfied with the condition of the Property and all elements and systems thereof and knowingly and voluntarily elects to waive the right to have
206 any inspections performed as a contingency to the Closing of the transaction. Buyer's election to waive the right of inspection is solely Buyer's
207 decision and at Buyer's own risk.

208 12. ESCROW: This transaction shall be Closed at _____ Fidelity National Title - Sam Gould _____
209 ("Escrow"), a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless
210 otherwise provided herein. Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary
211 title report and owner's title policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of
212 furnishing such policy, Seller's recording fees, Seller's Closing costs and any encumbrances on the Property payable by Seller on or before
213 Closing. Buyer shall deposit with Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any.
214 Real estate fees, commissions or other compensation for professional real estate services provided by Listing and/or Selling Firms shall be paid at
215 Closing in accordance with the listing agreement, buyer service agreement or other written agreement for compensation.

216 13. CLOSING: Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event later than
217 December 31, 2014 ("the Closing Deadline"). The terms "Closed", "Closing" or "Closing Date" shall mean when the deed or
218 contract is recorded and funds are available to Seller. Buyer and Seller acknowledge that for Closing to occur by the Closing Deadline, it
219 may be necessary to execute documents and deposit funds in Escrow prior to that date. Caution: Section 7 above requires three (3) days
220 prior to the Closing Deadline if Escrow is to prepare a note and a deed of trust or mortgage.

221 14. POSSESSION: Seller shall deliver possession of the Property to Buyer (select one):

- 222 (1) [x] by 5:00 p.m. on Closing;
223 (2) [] by _____ a.m. [] p.m. _____ days after Closing;
224 (3) [] by _____ a.m. [] p.m. on the _____ day of _____

225 15. PRORATIONS: Prorates for rents, current year's taxes, interest on assumed obligations, and other prepaid expenses attributable to the
226 Property shall be as of: (check one) [x] the Closing Date; [] date Buyer is entitled to possession; or [] _____

227 16. ESCROW DEPOSIT: Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a copy of this Agreement marked
228 "rejected" by Seller or of Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon
229 your receipt of a copy of this Agreement signed by Buyer and Seller set up an escrow account and proceed with Closing in accordance with the
230 terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute between
231 Buyer and Seller), you are to hold all earnest money deposits until you receive written instructions from Buyer and Seller, or a final ruling from a
232 court or arbitrator, as to disposition of such deposits.

233 17. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but
234 fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with this Agreement, or perform any other act as herein
235 provided; or (4) any condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through
236 no fault of Buyer, then all earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a
237 waiver of other legal remedies available to Buyer. If Seller signs and accepts this Agreement and title is marketable; and (1) Buyer has
238 misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money; or (3) Buyer fails to
239 redeem, when due, any note given as earnest money; or (4) Buyer fails to complete this transaction in accordance with this Agreement, or perform
240 any other act as herein provided, then all earnest money paid or agreed to be paid shall be paid to Seller either as liquidated damages or as
241 otherwise allowed under Oregon law, and this transaction shall be terminated. It is the intention of the parties that Seller's sole remedy against
242 Buyer for Buyer's failure to Close this transaction shall be limited to the amount of earnest money paid or agreed to be paid herein.

Buyer Initials _____ Date _____

Seller Initials CA Date 8/27/14

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Untitled

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243 18. BINDING EFFECT/CONSENT: This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and
244 Seller. However, Buyer's rights under this Agreement or in the Property are not assignable without prior written consent of Seller

245 19.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS. Subject to certain exceptions, Escrow is required to withhold
246 a portion of Seller's proceeds if they are a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to execute
247 and deliver, as appropriate, any instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of
248 Oregon law.

249 19.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING OBLIGATIONS. Seller is advised that upon Closing, Federal law, known as the
250 Foreign Investment in Real Property Tax Act ("FIRPTA"), allows an escrow company, if they agree, to withhold a portion of Seller's proceeds if the real
251 property is located within the United States and Seller is a "foreign person." A "foreign person" includes a non-resident alien individual, foreign corporation,
252 foreign partnership, foreign trust and foreign estate. The amount deducted from Seller's proceeds is ten percent (10%) of the gross sales price and is required
253 to be delivered over to the Internal Revenue Service ("IRS") within twenty (20) days of the closing of the transaction. Buyer may become responsible for
254 payment if FIRPTA applies and Escrow is not instructed to withhold the funds. FIRPTA will not apply to this transaction so long as: (a) The sale price is
255 \$300,000 or less; (b) The Property is to be used by Buyer as a residence; and, (c) Buyer is an individual. Where applicable, Buyer and Seller agree to execute
256 and deliver, as appropriate, any instrument, affidavit or statement, reasonably requested by Escrow to carry out the provisions of FIRPTA. NOTE: AT SECTION
257 8 OF THIS AGREEMENT, SELLER REPRESENTS THAT SELLER IS NOT A "FOREIGN PERSON" (HEREINAFTER "SELLER'S NON-FIRPTA STATUS"). IF SELLER IS
258 UNSURE, SELLER SHOULD FIRST CONFER WITH SELLER'S TAX COUNSEL OR CPA BEFORE ENTERING INTO THIS TRANSACTION. IN SUBMITTING THIS OFFER, BUYER
259 REPRESENTS THAT BUYER HAS NO KNOWLEDGE, INFORMATION, OR BELIEF THAT SELLER IS A FOREIGN PERSON OR THAT THIS TRANSACTION IS SUBJECT TO FIRPTA.
260 SELLER ACKNOWLEDGES THAT BUYER, LISTING AND SELLING LICENSEES, THEIR RESPECTIVE FIRMS AND ESCROW, ITS AGENTS, EMPLOYEES AND
261 REPRESENTATIVES, SHALL HAVE THE ABSOLUTE RIGHT TO RELY UPON SELLER'S REPRESENTATION OF SELLER'S NON-FIRPTA STATUS AT SECTION 8 ABOVE.
262 THIS RIGHT OF RELIANCE SHALL CONTINUE THROUGH THE CLOSING DATE AND THEREAFTER, UNLESS SELLER HAS DISCLOSED OTHERWISE IN A WRITTEN COUNTER-
263 OFFER OR ADDENDUM TO THIS SALE AGREEMENT. IF AT ANY TIME DURING THIS TRANSACTION, IT IS DETERMINED THAT SELLER'S REPRESENTATION OF SELLER'S
264 NON-FIRPTA STATUS WAS INCORRECT, FOR ANY REASON, SELLER AND BUYER HEREBY APPOINT AND INSTRUCT ESCROW TO ACT AS THE QUALIFIED SUBSTITUTE
265 FOR BUYER AS DEFINED BY THE IRS, FOR PURPOSES OF PREPARING THE NECESSARY PAPERWORK, WITHHOLDING THE NECESSARY FUNDS, AND REMITTING THE
266 SAME TO THE IRS. IF FOR ANY REASON, ESCROW DECLINES TO ACT AS A QUALIFIED SUBSTITUTE, ESCROW IS REQUESTED TO PROMPTLY NOTIFY SELLER AND
267 BUYER IN A TIMELY MANNER SO THEY MAY MAKE OTHER ARRANGEMENTS PRIOR TO THE SCHEDULED CLOSING. SELLER AND BUYER ACKNOWLEDGE THAT IF
268 FIRPTA APPLIES TO THIS TRANSACTION, ESCROW'S ROLE AS A QUALIFIED SUBSTITUTE MAY RESULT IN A DELAY IN CLOSING THIS TRANSACTION, UNLESS
269 OTHERWISE PROVIDED IN THIS SALE AGREEMENT OR ANY SUBSEQUENT SIGNED WRITTEN AGREEMENT BETWEEN SELLER AND BUYER. CONFIRMATION OF SELLER'S
270 NON-FIRPTA STATUS IS NOT A CONTINGENCY IN THIS TRANSACTION.

271 20. APPROVED USES: THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT
272 PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST
273 ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR
274 FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
275 TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO
276 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009,
277 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON
278 ACQUIRING FREE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT
279 TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS
280 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION
281 FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300,
282 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007 SECTIONS 2 TO 9 AND 17, CHAPTER
283 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010."

284 21. IRC 1031 EXCHANGE: In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to
285 cooperate with them, and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the Close of
286 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
287 contingency to the Closing of this transaction.

288 22. LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one) is is not specially assessed for property taxes (e.g., farm,
289 forest or other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is
290 current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this
291 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically
292 provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be
293 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the
294 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole

Buyer Initials _____ / _____ Date _____

Seller Initials CR 1 Date 5/27/14

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295 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and
296 hold Seller responsible to pay into Escrow all deferred and/or additional taxes and interest which may be levied or recaptured against the Property
297 and shall hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or
298 damages arising from a breach of this Section 22.

DISPUTE RESOLUTION INVOLVING BUYERS AND SELLERS ONLY

299 23. DISPUTE RESOLUTION BETWEEN BUYER AND SELLER: Buyer and Seller agree that all claims, controversies and disputes between
300 them, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be
301 resolved in accordance with the procedures set forth herein, which shall expressly survive Closing or earlier termination of this Agreement.
302 Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed,
303 land sale contract or recorded construction lien; or (2) a forcible entry and detainer action (eviction). The filing in court for the issuance of any
304 provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty
305 to utilize the dispute resolution procedures specified herein. In the event of any suit, action or arbitration relating to the enforcement or interpretation
306 of this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall be placed in the State of Oregon for all purposes.

307 24. SMALL CLAIMS BETWEEN BUYER AND SELLER: Notwithstanding the following Sections, Buyer and Seller agree that all Claims that are
308 within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.

309 25. MEDIATION BETWEEN BUYER AND SELLER: If Buyer or Seller were represented in this transaction by a Licensee whose principal
310 broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the
311 Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation
312 program (collectively "the System"). Provided, however, if Licensee's principal broker is not a member of the National Association of REALTORS®
313 or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation either
314 through: (1) the special mediation program administered by Arbitration Service of Portland ("ASP"), or (2) any other impartial private mediator(s) or
315 program(s) so long as such services are available in the county where the Property is located, as selected by the party first filing for mediation.

316 26. ARBITRATION BETWEEN BUYER AND SELLER: All Claims between Buyer and Seller that have not been resolved by mediation, or
317 otherwise, shall be submitted to final and binding private arbitration in accordance with Oregon laws. Filing for arbitration shall be treated the same
318 as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Buyer or Seller may file Claims
319 either with ASP or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected
320 alternative service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct
321 the hearing in the county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its
322 conclusion. BY CONSENTING TO THIS PROVISION BUYER AND SELLER ARE AGREEING THAT DISPUTES ARISING UNDER THIS
323 AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND BUYER AND SELLER ARE GIVING UP
324 THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED
325 UNDER OREGON LAW.

326 27. ATTORNEY FEES IN CLAIMS BETWEEN BUYER AND SELLER: The prevailing party in any suit, action or arbitration (excluding those
327 Claims filed in Small Claims Court) between Buyer and Seller shall be entitled to recovery of all reasonable attorney fees and costs and
328 disbursements as defined in ORCP 68 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was
329 available to Buyer or Seller when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to
330 the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon,
331 the filing in arbitration or court.

DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

332 28. SMALL CLAIMS COURT AND ARBITRATION: All claims, controversies or disputes relating to this transaction, including those for
333 rescission, in which a Licensee or Firm identified in the Final Agency Acknowledgment Section above is named or included as a party, shall be
334 resolved exclusively as follows: (1) If within the jurisdictional limit of Small Claims Court, the matter shall be brought and decided there, in lieu of
335 arbitration or litigation in any other forum. (2) All other claims, controversies or disputes involving such Licensee or Firm shall be resolved through
336 final and binding arbitration using the arbitration selection process described in Section 26, above. Filing for arbitration shall be treated the same
337 as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. This Section 28 shall be in lieu
338 of litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or informal mediation at
339 any time, but shall not be required to do so under this Section 28. This Section 28 shall not apply to those matters in which: (a) The claim,
340 controversy or dispute is exclusively between REALTORS® and is otherwise required to be resolved under the Professional Standards Arbitration
341 provisions of the National Association of REALTORS®; (b) Licensee or Firm has agreed to participate in alternative dispute resolution in a prior
342 written listing, service or fee agreement with Buyer or Seller, or (c) Licensee or Firm is Buyer or Seller in this transaction (in which case, Sections
343 23-27 shall apply). This Section 28 shall expressly survive Closing or earlier termination of this Agreement. In the event of any suit, action or
344 arbitration relating to the enforcement or interpretation of this Agreement, the matter shall be governed exclusively by Oregon law, and venue shall
345 be placed in the State of Oregon for all purposes. In the event that one or more Licensees and/or Firms have been named or included in any

Buyer Initials _____ / _____ Date _____

Seller Initials CR1 / _____ Date 8/22/14

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Unfilled

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346 claims, controversies or disputes that also include Buyer and/or Seller, the alternative dispute resolution and attorney fee provisions of
347 Sections 23-27 above shall continue to apply to Buyer and/or Seller, and this Section 28 shall apply exclusively to Licensees and/or Firms.

348 29. RECEIPT FOR EARNEST MONEY: Selling Firm acknowledges receipt of earnest money from Buyer in the sum of _____
349 evidenced by CASH CHECK PROMISSORY NOTE payable as follows:
350 _____ business calendar (check one) days after mutual acceptance of this Agreement; or
351 on or before _____
352 Other form of Earnest Money: _____

353 30. EARNEST MONEY INSTRUCTIONS: Buyer instructs Selling Firm, and Selling Firm agrees, to handle the earnest money as follows
354 (check all that apply):
355 Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter
356 offers, after which time deposit it as provided herein within three (3) banking days. Deposit any earnest money funds redeemed under a
357 promissory note with _____ Deposit in Selling Firm's client trust account, and
358 thereafter/or Deposit with Escrow. In the event the earnest money is deposited in Selling Firm's trust account or with Escrow (collectively "the
359 Deposit Holder"), and the Deposit Holder has arranged to have interest on such deposit transferred to a qualified public benefit corporation for
360 distribution to organizations and individuals for first time home-buying assistance and development of affordable housing pursuant to ORS
361 696.241(6) or ORS 696.578(3), all parties acknowledge and agree that any interest accruing on the earnest money so deposited shall be
362 transferred in accordance with this provision. The preceding sentence shall be subject to any other statutes or regulations governing the
363 disposition of earnest money deposits.

364 SELLING LICENSEE AND SELLING FIRM SHALL HAVE NO FURTHER LIABILITY WITH RESPECT TO EARNEST MONEY WHICH THE
365 PARTIES HAVE AUTHORIZED TO BE TRANSFERRED TO A THIRD PARTY.

366 Selling Firm _____ Selling Licensee Signature _____ ←

367 Office Address _____ Phone _____ FAX _____

368 31. COUNTERPARTS/DELIVERY: This Agreement may be signed in multiple counterparts with the same legal effect as if all parties signed the
369 same document. This shall mean that delivery (e.g., transmissions manually by facsimile, electronic mail, overnight mail, first-class regular or
370 certified mail, etc.) of a legible true copy of a signed original of this Agreement, including but not limited to all addenda, counter offers, and legal
371 notices required thereunder, shall be treated the same as delivery of the original document.

372 32. AGREEMENT TO PURCHASE: Buyer agrees to purchase the Property upon the terms and conditions set forth in this Agreement.
373 Buyer acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer
374 acknowledges that Buyer has not relied upon any oral or written statements made by Seller or any Licensee, which are not expressly
375 contained in this Agreement. Neither Seller nor any Licensee(s) warrant the square footage of any structure or the size of any land being
376 purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to
377 signing or should be made an express contingency in this Agreement.

378 Deed or contract shall be prepared in the name of _____
379 This offer shall automatically expire on (insert date) _____ at _____ a.m. p.m., (the "Offer Deadline"), if
380 not accepted by that time.

381 Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's acceptance. If Seller accepts this offer after the Offer Deadline, it
382 shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two [2] if not filled in) after the date of Seller's
383 acceptance by so indicating at Section 35 below. This offer may be accepted by Seller only in writing.

384 Buyer _____ Date _____ a.m. _____ p.m. ←
City of Beaverton

385 Buyer _____ Date _____ a.m. _____ p.m. ←

386 Address _____ Zip _____

387 Phone Home _____ Work _____ E-mail _____ Fax _____

Buyer Initials _____ / _____ Date _____

Seller Initials CA / _____ Date 5/27/14

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Sale Agreement # _____

NO CHANGES OR ALTERATIONS ARE PERMITTED TO ANY PORTION OF THE PRE-PRINTED FORMAT OR TEXT OF THIS FORM. ANY SUCH PROPOSED CHANGES OR ALTERATIONS SHOULD BE MADE ON A SEPARATE DOCUMENT. CHANGES BY SELLER OR LISTING LICENSEES TO THE TERMS OR PROVISIONS ABOVE BUYER'S SIGNATURE SHOULD ALSO BE ON A SEPARATE DOCUMENT.

388 This offer was submitted to Seller for signature on the _____ at _____ a.m. _____ p.m.
389 By _____ (Licensee(s) presenting offer).

390 **33. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY.** Seller accepts Buyer's offer. Seller
391 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller
392 acknowledges that Seller has not relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly
393 contained in this Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 17 above, shall be
394 disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one) First to Listing Firm to the
395 extent of the agreed commission just as if the transaction had been Closed, with residue to Seller, or _____
396 _____

397 Seller [Signature] Date 8/27/14 a.m. 3:00 p.m. ←
Pahlisch Homes Inc.

398 Seller _____ Date _____ a.m. _____ p.m. ←

399 Address _____ Zip _____
400 Phone Home _____ Work _____ E-mail _____ Fax _____

401 **34. REJECTION/COUNTER OFFER: SELECT ONE:** Seller does not accept the above offer, but makes the attached counter offer; Seller
402 rejects Buyer's offer.

403 Seller _____ Date _____ a.m. _____ p.m. ←
Pahlisch Homes Inc.

404 Seller _____ Date _____ a.m. _____ p.m. ←

405 Address _____ Zip _____
406 Phone Home _____ Work _____ E-mail _____ Fax _____

407 **35. BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response
408 is an acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 32 above, Buyer (select only one) agrees does
409 not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)

410 Buyer City of Beaverton Date _____ a.m. _____ p.m. ←

411 Buyer _____ Date _____ a.m. _____ p.m. ←

412 **36. FIRMS/LICENSEES:**

413 Selling Licensee None Selling Firm _____

414 Selling Firm Office Address _____

415 Phone _____ Phone _____ E-mail _____

416 Fax _____

417 _____

418 Listing Licensee None Listing Firm _____

419 Listing Firm Office Address _____

420 Phone _____ Phone _____ E-mail _____

421 Fax _____

422 _____

423 _____

Buyer Initials _____ / _____ Date _____

Seller Initials CA Date 8/27/14

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ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 This is an Addendum to: Real Estate Sale Agreement Seller's Counter Offer Buyer's Counter Offer
2 Re: Real Estate Sale Agreement No. _____ Dated _____ Addendum No. 1
3 Buyer: City of Beaverton
4 Seller: Pabliach Homes Inc.

5 The real property described as: 9450 SW 166th Terrace, Beaverton, OR
6 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED
7 ABOVE.

- 8 1) Due Diligence Period - Buyer shall have ninety (90) days from mutual acceptance in which to
9 examine, inspect and investigate the Property, and in Buyer's sole and absolute judgement and
10 discretion, determine whether the Property is acceptable to Buyer
11 2) Seller agrees to cooperate fully with Buyer, without expense to Seller
12 3) Buyer is responsible for repairing any damage to the property caused by Buyer/Buyer's
13 employees, agents, subcontractors or others entering the property at Buyer's request
14 4) Buyer shall indemnify and hold Seller harmless from any claim, loss or liability arising out
15 of or related to any activity by Buyer and shall be responsible for the cost of defending
16 against any such claims
17 5) Closing date may be extended with two (2) one month extensions
18 6) All earnest money deposits paid per Line 95 shall be released immediately to seller. That
19 same amount shall be applied in full to the sales price at closing.
20 7) BUYER SHALL BE OBLIGATED TO PAY STANDARD HOA DUES EVEN THOUGH A TRUNC
21 "HOME" WILL NOT BE CONSTRUCTED ON THE SITE.
22
23
24
25
26
27

28 Buyer Signature _____ Date _____ a.m. ___ p.m. ←
City of Beaverton

29 Buyer Signature _____ Date _____ a.m. ___ p.m. ←

30 Seller Signature _____ Date 8/27/14 a.m. 3:00 p.m. ←
Pabliach Homes Inc.

31 Seller Signature _____ Date _____ a.m. ___ p.m. ←

32 Selling Licensee None Listing Licensee None

22