

# Council Business Meeting

May 18, 2021

<b>Agenda Item</b>	Acquisition of Lot 100, a One-Acre Parcel for and Addition to the East Main Park	
<b>From</b>	Michael Black	APRC Director
<b>Contact</b>	<a href="mailto:Michael.Black@ashland.or.us">Michael.Black@ashland.or.us</a>	

## **SUMMARY**

In 2018, Ashland Parks and Recreation Commission (APRC) and City Council approved the acquisition a 5.5 acre parcel at 2228 E. Main, known as parcel 391E11CB tax lot 200 of the Jackson County Assessor’s Map (“Lot 200”). Lot 200 is located between E. Main and Abbott Avenue, just east of Clay Street. APRC purchased the property at a reduced rate of \$1,000,000 from the appraised value \$1,780,000 after negotiations with the seller.

After the acquisition of Lot 200, the owner of the adjacent property (tax lot 391E11CB – 100, or “Lot 100”), which is a 2.03 acre lot, approached APRC with an offer to sell one-acre of their lot to add to Lot 200. The addition of the one-acre lot is desirable due to its adjacency to the adjoining neighborhood, the additional acreage will also allow additional features at the East Main Park like a community garden and the lot already has a dedicated public pedestrian path that dead ends at the property line.

## **POLICIES, PLANS & GOALS SUPPORTED**

Maintain and expand park, recreational, and educational opportunities; provide high quality, efficient and safe services with positive experiences for guests and other participants while maintaining community participation in the decision-making processes and protecting the environment.

In early 2019, APRC adopted a high priority goal to “design and build a new East Main neighborhood park, including the top priority of the second Ashland dog park”. and to “work with volunteers to explore costs and locations for a pump track and mountain bike skills park”.

## **PREVIOUS COUNCIL ACTION**

Council approved Sale of a City-Owned Open Space Park Program Parcel Located at 380 Clay Street and known as parcel 391E11C Tax lot 2504 and Acquisition of Land for a Future Park Located at 0 E. Main and known as Parcel 391E11CB Tax lot 200 at the October 2, 2018 Business Meeting.

## **BACKGROUND AND ADDITIONAL INFORMATION**

APRC sold 2.57 acres of undeveloped land at 380 Clay Street, known as parcel 391E11C tax lot 2504 of the Jackson County Assessor’s Map (“Lot 2504”) to the Housing Authority of Jackson County (“HAJC) to facilitate the acquisition of Lot 200 – the 5.5 acres that make up East Main Park.

APRC sold the 2.57 acres of land to HAJC to continue the development of affordable housing in the Ashland community. The sale of Lot 2504 also brought APRC a total of \$1,091,504 in cash from the HAJC. The purchase price of the 5.5 acre E. Main St. (Lot 200) was only \$1,000,000, which left just over \$91,000 in the accounts from the transaction.

The land being proposed for acquisition from the owners of Lot 100 is a desirable addition to the East Main Park acquisition (Lot 200) for the following reasons:

1. The property provides a connection to the adjacent neighborhood via an existing pedestrian path that connects directly to the land being purchased. This pedestrian connection is located between the existing neighborhood and the proposed land to be purchased. The pedestrian path is already a public path and it dead ends at Lot 100.



2. The size of the park, with the one-acre addition, is more conducive to the overall goals of the park and the desired uses at the park, such as a

community garden, bicycle pump track, bicycle skill park and dog park. See the attached concept plan for the East Main Park that was developed with the assistance of the public.

3. With the sale of the YMCA Park to the YMCA, which happened in 2017 (detail below) and Lot 2504 to the HAJC, the residents of Ashland need a new neighborhood park in this area. The size of the former YMCA Park was 6.5 acres. By adding the proposed one-acre to the existing 5.5 acres at East Main Park, we will be replacing the YMCA Park with a park of the exact same size and we will be serving the community to the best of our ability.
4. APRC is committed to providing parks within each neighborhood (1/4 mile radius) in the City of Ashland and the addition of this parcel will allow APRC to address one of the only areas in town that does not currently have a community park with the 1/4 mile radius.
5. The sale of Lot 2504 affords APRC to purchase the land with 90 percent of the funds coming from the net proceeds of the sale to HAJC and the additional \$9,000 coming from the funds already set aside for the development of the East Main Park. No general fund resources would be used to purchase the one-acre Lot 100.
6. The owners of Lot 100, the property being proposed for acquisition, have agreed to sell the land to APRC at a fraction of the actual value so that the land can be used as a park.
7. The neighboring community has shown wide support for the addition of this one-acre parcel to the overall development of the East Main Park.

### **FISCAL IMPACTS**

The acquisition of the property is supported by funds that are dedicated to replacing the parks that were sold in the area. In addition to the sale of Lot 200 to the HAJC for \$1,091,504 in cash, the City and APRC sold the YMCA Park parcel to the YMCA in 2017 for \$480,000. At the time it was determined that the park was “disproportionately used by the YMCA for their growing programs which limits the free play time at the Park to those times the YMCA does not have the facilities reserved”. The City Council approved the sale of the land in June 2017. The funds are available to acquisition the one-acre parcel without affecting the general fund.

Additionally, there is an obvious benefit to the public that would be gained from adding a full acre of land to existing East Main Park. This is evident in the conceptual drawing for the East Main Park and the pedestrian connection that would link the adjoining neighborhood with the new East Main Park.

The public participated in the creation of the East Main Park conceptual drawings through a design charette process held by APRC to involve the public in planning the park. The City required the dedication of the pedestrian path from Brooks Lane to the subject parcel at the time Brooks Lane developed, so that connection already exists and would be put to good use if it led to the new East Main Park.

A further point supporting the acquisition of the property is the willingness of the sellers to offer it to us at lower than market value. Recent land sales and appraisals would support a much higher price, and APRC would like to take advantage of this opportunity because of all of the very good reasons to add this parcel to the park system, but that is also supported by a very reasonable sale price and funds that area available and are purposed for this very scenario.

**STAFF RECOMMENDATION**

Considering the positive impact on the Parks and Open Space Inventory of Ashland and the citizens of Ashland, staff recommends that the Ashland City Council approve the acquisition of Lot 100 as proposed.

**ACTIONS, OPTIONS & POTENTIAL MOTIONS**

- 1.) I move to approve the acquisition of the lot known as tax lot 100 for the price of \$100,000 as described in the Council Communication.
- 2.) I move to deny the acquisition of the lot known as tax lot 100 for the price of \$100,000 described in the Council Communication and direct staff to...

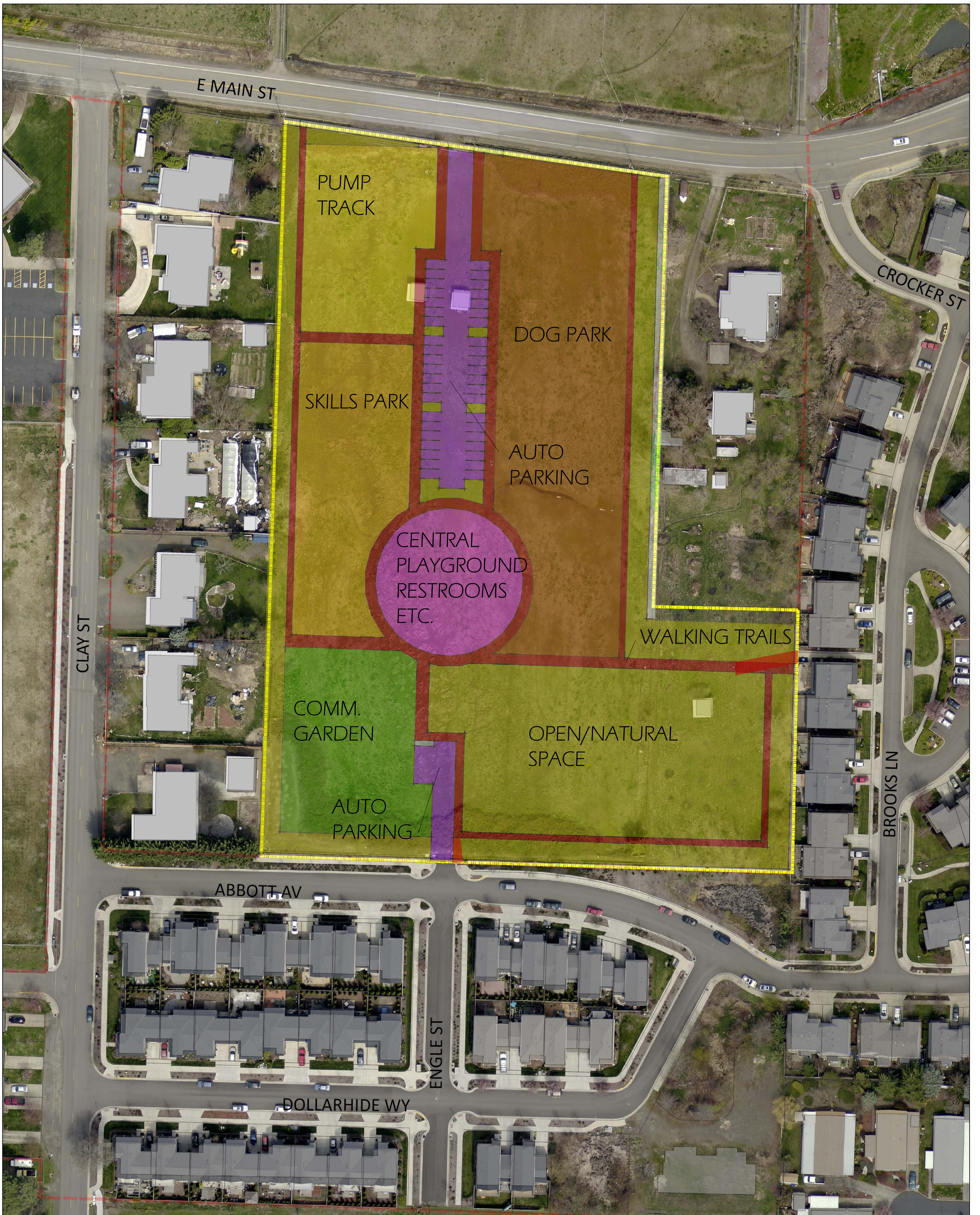
**REFERENCES & ATTACHMENTS**

Attachment 1: Conceptual Plan from 2019 Design Charette for East Main Park

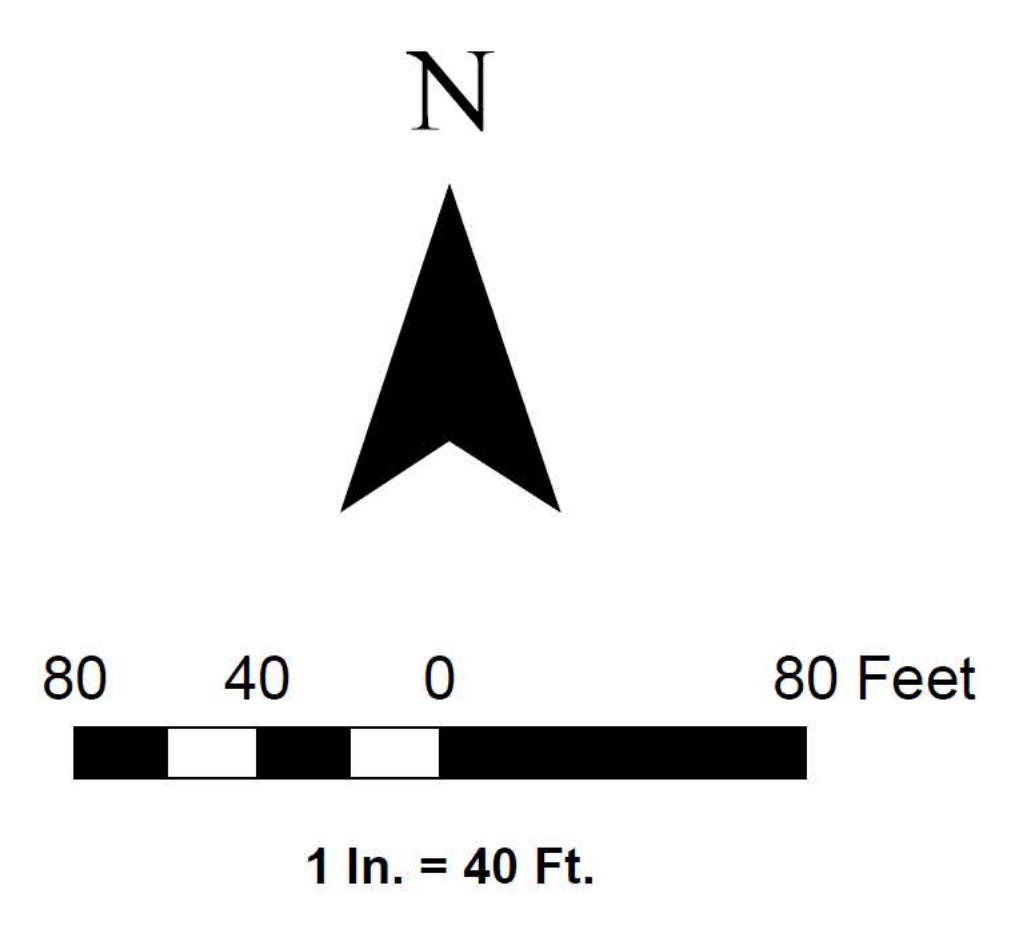
Attachment 2: City Council Memo for Purchase of the Original 5.5 Acre East Main Park, October 2, 2018

Attachment 3: City Council Memo for Conveyance of YMCA Park, June 20, 2017





# East Main Park Neighborhood Scoping Meeting October 24, 2019





# Council Business Meeting

October 2, 2018

<b>Agenda Item</b>	Sale of a City-Owned Open Space Park Program Parcel Located at 380 Clay Street and known as parcel 391E11C Tax lot 2504 and Purchase of Land for a Future Park Located at 0 E. Main and known as Parcel 391E11CB Tax lot 200	
<b>From</b>	Michael A. Black, AICP	Director, Ashland Parks and Recreation
	<a href="mailto:michael.black@ashland.or.us">michael.black@ashland.or.us</a> ; 541-552-2251	

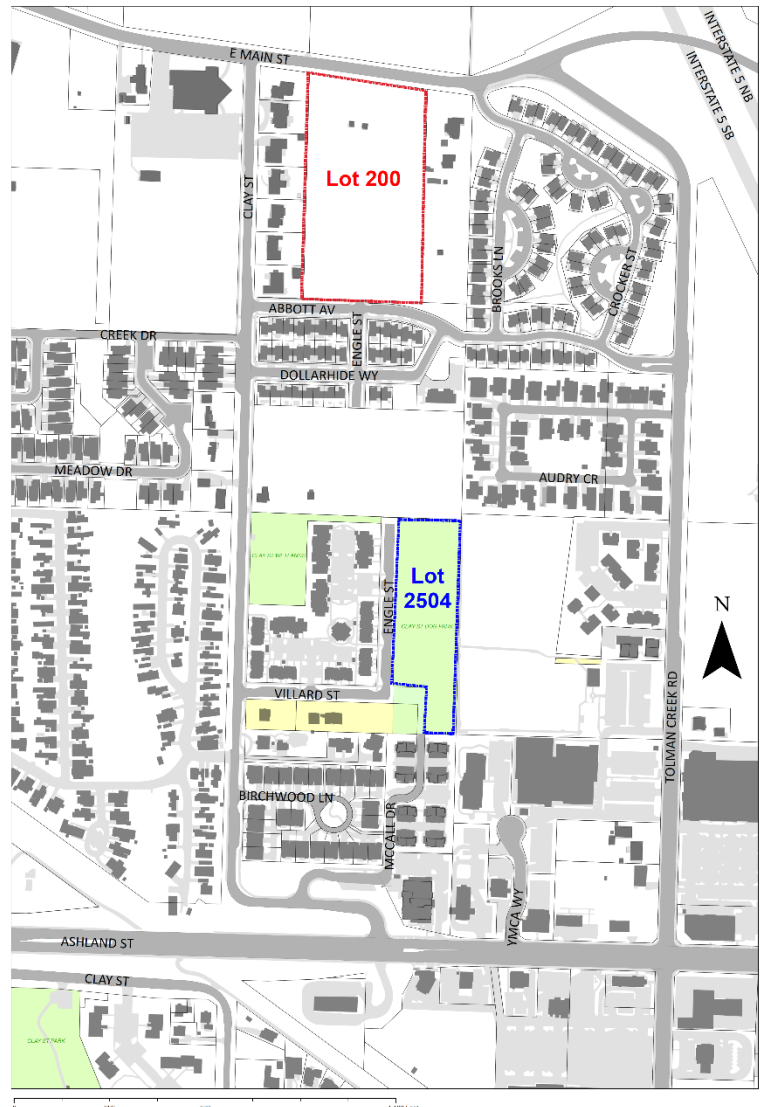
## SUMMARY

Ashland Parks and Recreation Commission (“APRC”) is proposing the sale of a 2.57 acre undeveloped parcel at 380 Clay Street, known as parcel 391E11C tax lot 2504 of the Jackson County Assessor’s Map (“Lot 2504”). This parcel is located immediately adjacent to the Snowberry Brook development on the West and the YMCA Park on the East. The property is considered part of the City’s Open Space Park Program and requires a public hearing before the City Council prior to disposal of the property.

In this situation, the property is proposed to be sold to the Housing Authority of Jackson County, who, with the additional adjacent .78 acre parcel (in yellow) being sold by the City of Ashland, will develop both parcels of land for affordable housing.

The City and APRC sold the YMCA property immediately to the east of the subject parcel to the YMCA in 2017 for \$480,000. At the time it was determined that the park was “disproportionately used by the YMCA for their growing programs which limits the free play time at the Park to those times the YMCA does not have the facilities reserved.” The City Council approved the sale of the land in June of 2017.

APRC is committed to providing parks within each neighborhood (1/4-mile radius) in the City of Ashland. With this in mind, we are proposing that the City Council approve the sale of the subject parcel to HAJC to be used for the furtherance of affordable housing. Additionally, APRC will leverage the funds from the sale of Lot 2504 and of the YMCA property, existing CIP





funds for a second dog park, and the funds from the sale of the subject parcel to develop another, larger, parcel in the immediate area.

APRC is also proposing the purchase of a 5.5 acre parcel at 0 E. Main, known as parcel 391E11CB tax lot 200 of the Jackson County Assessor's Map ("*Lot 200*"). Lot 200 is located between E. Main and Abbott Ave, just east of Clay St. Lot 200 is listed for sale by Noriko Hansen, a local realtor, and APRC has worked with the realtor and currently has an option to purchase the property at a reduced rate of \$1,000,000 from the appraised value \$1,780,000. We are proposing to consolidate the public parks in this neighborhood on the 5.5 acre Lot 200 parcel for the following reasons:

1. Lot 200 is larger and more conducive to development as a park than the smaller 380 Clay St. parcel
2. Lot 200 is more accessible than Lot 2504 with double frontage and more housing units within walking distance
3. Selling Lot 2504 to the HAJC will allow for an increase in affordable housing for the City of Ashland
4. Lot 200 has 5.3 acres of irrigation water rights which will reduce water expenditures from the parks fund
5. The sale of Lot 2504 will yield a revenue of \$1,100,000 for 2.57 acres (subject to appraisal)
6. The purchase of the larger 5.5-acre Lot 200 is under contract for \$1,000,000 due to a generous gift from the owners of the property – the property appraises for \$1,780,000; however, the owners have agreed to sell the land to APRC for \$1,000,000 and donate the value of \$780,000 so long as the property becomes a park.

### **POLICIES, PLANS & GOALS SUPPORTED**

The Ashland Parks and Recreation Commissioners have adopted the following goals that support this proposal:

- *Update Trails and Open Space Comp Plans and continue to purchase land according to the plans.*
- *Plan and build a second dog park on APRC property somewhere toward the south end of Ashland.*

### **PREVIOUS COUNCIL ACTION**

- In the summer of 2015, the City of Ashland and the Ashland Parks and Recreation Commission agreed to reduce the size of Lot 2504 by .61 acres to accommodate furtherance of affordable housing goals.
- On June 20, 2017, the City Council approved the disposal of the YMCA Park for \$480,000 to the Ashland Family YMCA.

### **BACKGROUND AND ADDITIONAL INFORMATION**

In 2011, APRC agreed to the transfer of \$1,350,000 to the City of Ashland in return for 3.18 acres of property known as Lot 2504. Lot 2504 was paid for by revenues from the Food and Beverage Tax, and, upon transfer, the property became part of the City's Parks and Open Space Program. The transfer of Lot 2504 from the City to parks property was predicated on the idea that the property could be consolidated with the existing YMCA Park to provide a much larger public facility.

The original 3.18-acre of Lot 2504 was reduced by .61 acres when the City of Ashland and APRC transferred that sum of land back to the City for a future public lane and to provide more land for affordable housing. In essence, the request today for the sale of the property to the HAJC is predicated by a supporting transfer of a portion of the original parcel for the same purpose in 2015.



Furthermore, in 2017 when it was decided that the YMCA property would revert back to the ownership of the YMCA, the effectiveness and overall appeal of the smaller 2.57 acres, which was the remnant of Lot 2504, as a park was questioned by the Parks Commissioners. A decision was made by APRC to explore options to acquire a more central and larger parcel that could serve the needs of the community better than the 2.57-acre Lot 2504.

There are several factors that have led to the proposal to sell the remaining 2.57 acres of Lot 2504. to the HAJC. The most relevant of those factors are listed below:

1. Lot 2504 became less relevant as a park when the YMCA property was sold and therefore would be a limitation on the accessibility of public parkland in the area if it is still developed when another, larger, more accessible parcel could be developed as a park (i.e.: Lot 200).
2. Lot 2504 has already been partially reduced in size to support affordable housing goals, so a nexus exists between the City's goals of providing affordable housing and Lot 2504.
3. Fiscally, the public will benefit from the efforts of APRC to leverage existing resources to realize a park of more than double the size of the originally envisioned park, for the same price of land.
  - a. Development costs will increase due to the larger park; however, it is clear that the use and enjoyment of the land will also increase proportionally on the larger parcel.
4. Lot 2504 did not have the requisite space to provide for an ideal park with all of the park uses that were being proposed.
5. The proposed 5.5-acre Lot 200 on E. Main will allow planners to expand on their design to include all of the proposed features of the new park, including an off-leash dog area, without sacrificing space.

### **FISCAL IMPACTS**

The sale of the 2.57-acre Lot 2504 is expected to yield \$9.75/sf for a total of \$1,091,504. The option to purchase the 5.5 acre E. Main St. parcel is for \$1,000,000 cash and \$780,000 in donation from the owners of the property. With the anticipated sale price of the surplus property, APRC will have the funds required to purchase the proposed 5.5-acre Lot 200.

The development of Lot 200 will be funded out of the Parks CIP budget which will include funds from several sources for a total of nearly \$1,000,000 aside from the funds used purchase the land. Based on previous park development experience, APRC is confident that we will be able to deliver the anticipated park for that price.

### **STAFF RECOMMENDATION**

ARPC Staff and Commissioners are recommending that the City Council approve the sale of 2.57 acres of land at 380 Clay St. (parcel 391E22C lot 2504) that is part of the Open Space Park Program for \$1,091,504 to the Housing Authority of Jackson County and give authority to purchase 5.5 acres of land for a future park at E. Main (parcel 391E11CB lot 200) for \$1,000,000 in cash and \$780,000 donation by the property owners.

### **ACTIONS, OPTIONS & POTENTIAL MOTIONS**

If the council chooses to approve the sale of Lot 2504 and subsequent purchase of Lot 200, the following two motions should be stated:

I move to approve the surplus and disposal of 2.57 acres of land, known as parcel 391E22C lot 2504, and its subsequent removal from the Open Space Parks Program.



I move to approve the purchase of 5.5 acres of land, known as parcel 391E11CB Lot 200, conditioned upon the successful sale and close of Lot 2504, and the addition of Lot 200 to the rolls of the Open Space Park Program.

**REFERENCES & ATTACHMENTS**

Attachment 1: Map of proposed properties

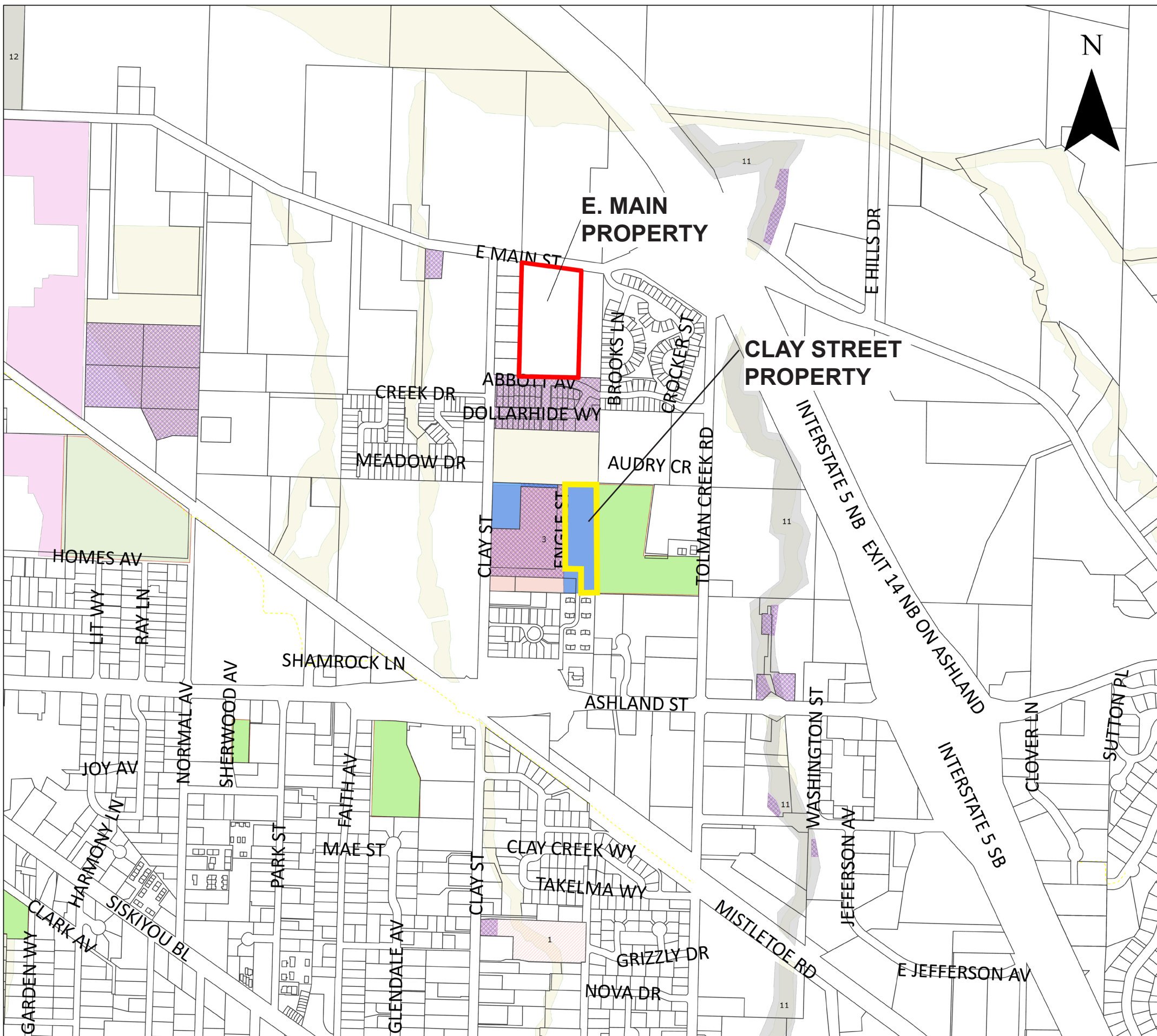
Attachment 2: Notice of Public Hearing

Attachment 3: Option Agreement for Sale to HAJC – 380 Clay St. Lot 2504

Attachment 4: Contingent Sale Agreement for 0 E. Main St. Lot 200



# Open Space Plan - East Main - Property Review 4.16.2018 - MAB



## Legend

- Taxlots
- street\_centerline
- Trails
- 2012- Newer Parks From Plan
- 2012- Newer Parks Not In Plan
- 2012 - Developed Properties
- athletic
- long term
- neighborhood
- os trail
- Parks - acquired - NEW
- City Parks
- Forest Land
- SOU Fields
- SOU-Community field; SOU-Community Field
- School Fields
- Undeveloped Parkland
- Undeveloped Parkland, x
- parks\_orig\_os\_plan-new

0 800 1,600 3,200 Feet





## NOTICE OF PUBLIC HEARING

**SUBJECT PROPERTY:** 380 Clay Street – Park Parcel

**OWNER/APPLICANT:** City of Ashland/Ashland Parks and Recreation Commission

**DESCRIPTION:** The Ashland Parks and Recreation Commission is proposing the sale of 2.57 acres of undeveloped park land at 380 Clay St. to the Housing Authority of Jackson County. The subject property was purchased as part of the Open Space and Park Program. The Charter of the City of Ashland requires that *“before any land that... [has] been acquired for the Open Space Park Program [is] disposed of and released from the Program there shall be a public hearing.”*

APRC is proposing to sell the subject property in order to purchase a larger nearby parcel more suitable for the development of a neighborhood park in the immediate area. A public hearing will be held on this matter at the October 2, 2018 City Council meeting.

**COMPREHENSIVE PLAN DESIGNATION:** Multifamily Residential;

**ZONING:** R-2;

**ASSESSOR’S MAP #:** 391E11C;

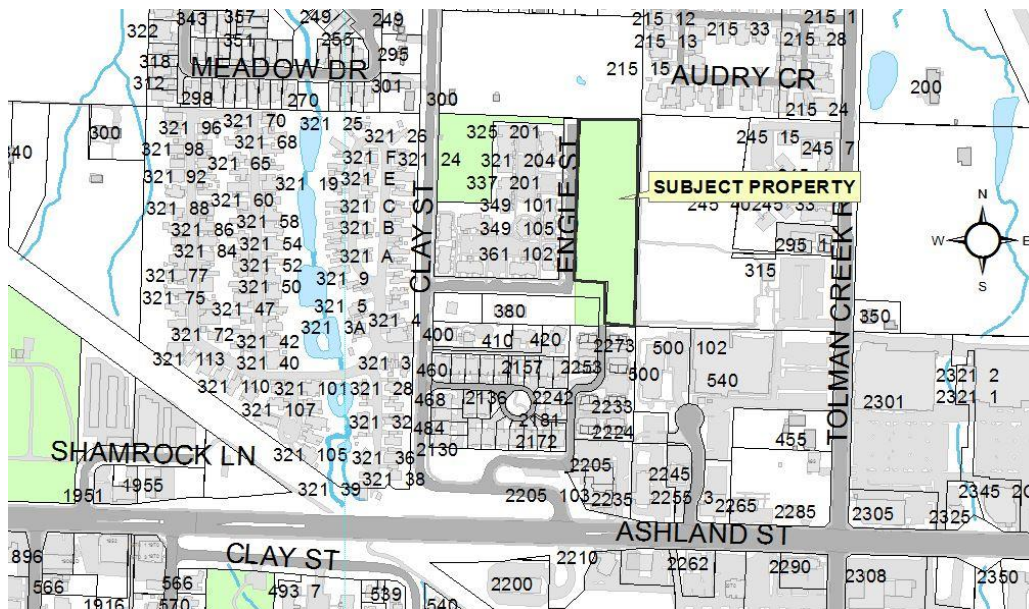
**TAX LOT:** 2504

### HEARING DATE/LOCATION:

**OCTOBER 2, 2018**

**CITY COUNCIL CHAMBERS – 1175 E. MAIN STREET**

**7:00 PM**





**OPTION AGREEMENT AND  
RECEIPT FOR EARNEST MONEY**

**DATE:** September 13<sup>th</sup>, 2018

**SELLER:** City of Ashland  
20 E. Main St.  
Ashland, Oregon 97520  
Attn: Michael Black

**BUYER:** Housing Authority of Jackson County  
2251 Table Rock Rd.  
Medford, OR 97501

**Recital**

Seller desires to sell to Buyer and Buyer desires to purchase from Seller certain real property with all improvements located on it commonly known as Tax Lot 2504 of Jackson County Assessor's Map No. 391E11C (the "Property"). The legal description will be supplied with the preliminary title report.

**Agreement**

Now, therefore, for valuable consideration, the parties agree as follows:

1. **Sale and Purchase.** Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of \$1,091,505 (the "Purchase Price").
2. **Earnest Money.** The sum of \$N/A shall be paid by Buyer as earnest money, payable by check and held in escrow, within 10 business days of this executed Option Agreement. The earnest money shall be applied to the Purchase Price on the Closing Date, as that term is defined below.
3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:
  - 3.1. At closing, the earnest money shall be credited to the Purchase Price.
  - 3.2. At closing, Buyer shall pay the balance of the purchase price in cash.
4. **Closing.** Closing shall take place on or before November 15, 2018 (the "Closing Date"), or not less than 90 days after clearance of Clause "P" of the Addendum and or, at buyer's option, pending the resolution of outstanding matters related to the purchase of Tax Lot 2505 of Jackson County Assessor's Map No. 391E11C from the City of Ashland at the offices of First American Title, Medford, OR. Each party shall pay one-half of the escrow fee and any transfer, excise, or sales tax assessed on the sale or contemplated by this Agreement. Buyer shall pay the recording fees for recording this Agreement or a memorandum of it.
5. **Acceptance.** This Agreement shall be null and void unless accepted by Seller, by Seller's execution of it, on or before September 23rd, 2018.



**6. Preliminary Title Report.** Within 10 days after full execution of this Agreement, Seller shall furnish to Buyer a preliminary title report showing the condition of title to the property, together with copies of all exceptions listed therein (the "Title Report"). Buyer will have 15 business days from receipt of the Title Report to review the Title Report and to notify Seller, in writing, of Buyer's disapproval of any exceptions shown in the Title Report. Those exceptions not objected to by Buyer are referred to below as the "Permitted Exceptions." If Buyer notifies Seller of disapproval of any exceptions, Seller shall have 15 days after receiving the disapproval notice to either remove the exceptions or provide Buyer with reasonable assurances of the manner in which the exceptions will be removed before the transaction closes. If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this Agreement by written notice to Seller given within 15 days after expiration of such 15-day period, in which event the earnest money shall be refunded to Buyer and this Agreement shall be null and void.

**7. Conditions**

**7.1.** Buyer's obligation to purchase the Property is contingent on Buyer's approval of its physical inspections and studies of the Property, which may include, but shall not be limited to, environmental evaluations and surveys. Buyer shall have until the Closing Date to complete its physical inspections and studies of the Property.

**7.2.** Buyer and its agents shall have full access to the Property for the purpose of conducting Buyer's inspections. If Buyer is not satisfied, in its sole discretion, with the result of Buyer's inspections, Buyer may terminate this Agreement by written notice to Seller given at any time before the Closing Date set forth above, in which event the earnest money shall be refunded to Buyer. If Buyer fails to give any such notices of termination prior to such date, the respective condition will be deemed satisfied or waived. Buyer shall indemnify, hold harmless, and defend Seller from all liens, costs, and expenses, including reasonable attorney's fees and other costs of defense, arising from or relating to Buyer's, and Buyer's agents, activities on the Property. This Agreement to indemnify, hold harmless, and defend Seller shall survive closing or any termination of this Agreement.

**8. Deed.** On the Closing Date, Seller shall execute and deliver to Buyer a statutory warranty deed, conveying the Property to Buyer, free and clear of all liens and encumbrances except the Permitted Exceptions.

**9. Title Insurance.** Within 15 days after closing, Seller shall furnish Buyer with an owner's policy of title insurance in the amount of the Purchase Price, standard form, insuring Buyer as the owner of the Property subject only to the usual printed exceptions and the Permitted Exceptions.

**10. Taxes; Pro Rates.** Real property taxes for the current tax year and other usual items shall be prorated as of the Closing Date.

**11. Possession.** Buyer shall be entitled to possession immediately upon closing.

**12. Seller's Representations.** Seller represents and warrants to Buyer as follows:



- 12.1. Seller has no knowledge and has received no written notice of any liens to be assessed against the Property.
- 12.2. Seller has no knowledge and has received no written notice from any governmental agency of any violation of any statute, law, ordinance, or deed restriction, rule, or regulation with respect to the Property.
- 12.3. Seller has no knowledge that the Property has ever been used for the storage or disposal of any hazardous material or waste. Seller has no knowledge of environmentally hazardous materials or wastes contained on or under the Property, and Seller has no knowledge that the Property has been identified by any governmental agency as a site upon which environmentally hazardous materials or wastes have been or may have been located or deposited.
- 12.4. All representations and warranties contained in this Agreement will survive closing and the conveyance of the Property to Buyer.
13. **Binding Effect/Assignment Restricted.** This Agreement is binding on and will inure to the benefit of Seller, buyer, and their respective heirs, legal representatives, successors, and assigns.
14. **Remedies.** TIME IS OF THE ESSENCE REGARDING THIS AGREEMENT. If the conditions described in Section 7 above are satisfied or waived by Buyer and the transaction does not thereafter close through no fault of Seller before the close of business on the Closing Date, Buyer shall forfeit the earnest money deposit to Seller as liquidated damages, and this Agreement shall be of no further effect, it being the intention of the parties that Buyer may forfeit the earnest money and be free of any further obligations under this Agreement. If Seller fails to deliver the deed described in Section 8 above on the Closing Date or otherwise fails to consummate the transaction, the earnest money will be refunded to Buyer, but acceptance by Buyer of the refund will not constitute a waiver of other remedies available to Buyer.
15. **Attorney Fees.** In the event action is instituted to enforce any term of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of appeal, as set by the appellate courts.
16. **Notices.** All notices and communications in connection with this Agreement shall be given in writing and shall be transmitted by certified or registered mail, return receipt requested, to the appropriate party at the address first set forth above. Any notice so transmitted shall be deemed effective on the date it is placed in the United States mail, postage prepaid. Either party may, by written notice, and designate a different address for purposes of this Agreement.
17. **Entire Agreement.** This agreement sets forth the entire understanding of the parties with respect to the purchase and sale of the Property. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.
18. **Applicable Law.** This Agreement shall be construed, applied, and enforced in accordance with the laws of the state of Oregon.



**19. Authority.** The persons signing this Agreement on behalf of Buyer and Seller each, respectively, represent, covenant, and warrant that each has full right and authority to enter into this Agreement and to bind the party for whom such person signs this Agreement.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FORM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE GOVERNMENTAL PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY APPROVED USES, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.33 SIX AND SEVENTEEN, CHAPTER 42 FOUR, OREGON LAWS 2007, SECTIONS TWO TO 9 AND SEVENTEEN, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the last date entered underneath the signatures below.

**SELLER:**

City of Ashland, Oregon

Name: K Almadry

Title: CITY ADMINISTRATOR

Dated: 9/20/18

**BUYER:**

Housing Authority of Jackson County

Name: [Signature]

Title: Executive Director

Dated: 9/17/18



## ADDENDUM TO REAL ESTATE OPTION AGREEMENT

This is an addendum to the Option Agreement and Receipt for Earnest Money dated: September 13<sup>th</sup>, 2018.

Addendum No. 1

Buyer: Housing Authority of Jackson County

Seller: City of Ashland

The real property is described as: Tax Lot 2504 of Jackson County Assessor's Map No. 391E11C

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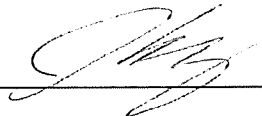
### **SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE OPTION AGREEMENT REFERENCED ABOVE.**

- a. This Agreement is contingent on obtaining financing in the amount of 50% of the purchase price for a period of 24 months at an interest rate of 7% or less.
- b. Contingent that there being no easement, right of way, lien, encumbrance, bankruptcy or other restriction existing now or prior to closing which would adversely affect the use of the Property by the Buyer for the purpose of providing affordable multifamily rental housing.
- c. Contingent on City services and utilities adequate for a housing project of the maximum density allowed for the site, including but not limited to: natural gas, power, phone, water, trash, cable, sanitary sewer, and storm sewer. Seller hereby certifies that to the best of their knowledge all city services are adequate for such use at this time.
- d. Contingent on the Buyer or Buyer's lending institution to obtain a valuation appraisal satisfactory to Buyer. Appraisal must be at or above sales price. Buyer shall provide such appraisal report to Seller. Should Seller terminate this Purchase Agreement based upon the results of Appraisal Report, Seller shall reimburse Buyer for cost of said Appraisal.
- e. Contingent on the ability of the buyer to go forward with obtaining zoning adequate to develop Multifamily Housing, or verification by the City of Ashland satisfactory to Buyer that the current zoning allows such use. Seller hereby certifies that adequate zoning is currently in place.
- f. Contingent on the Buyer to obtain Environmental, Engineering, and Geotechnical Reports satisfactory to the Housing Authority Board of Directors.
- g. Contingent on the approval of the Housing Authority Board of Commissioners and Ashland City Council.
- h. Contingent upon Buyer's or Buyer's Lending Institution approval of preliminary title report of the subject property.
- i. Contingent upon buyer's satisfaction with the ability to obtain site plan approval to develop a multi-story multifamily housing project. Seller hereby certifies that there are currently no restrictions that would prohibit the development of a housing project in form substantially similar to the adjacent Snowberry Brook.



- j. Except for Seller's or Buyer's express written agreements and written representations contained herein, buyer is purchasing the property "as is" in its present condition and all defect apparent or not apparent.
- k. Seller shall provide Buyer all prior reports completed on the subject property including but not limited to: Environmental, Wetland or Vernal Pools, Geotechnical Engineering, Underground Storage Tank, Traffic Related, or Municipal Planning Reports. Seller represents and warrants to the best of Seller's ability that all known wetland issues associated with the property have been disclosed to the Buyer.
- l. Seller hereby represents and warrants to the best of Seller's ability that all known environmental concerns, property contamination, landfills, dump sites, or storage of hazardous substances on the Property have been disclosed to the Buyer in writing.
- m. Seller hereby represents and warrants that Buyer shall have no responsibility to construct any roadways adjacent to the property, including but not limited to an extension of McCall Drive to Villard Street or an extension of Villard Street as necessary.
- n. Contingent on completion of an Environmental Review by the City of Ashland as the responsible entity, as required by HUD for the development of affordable housing. The costs of this review shall be the responsibility of the buyer. Because such review requires input from various governmental agencies, should an extension to the closing date be required to complete, such extension shall not be unreasonably withheld.
- o. Contingent upon Buyer's acquisition of adjacent Tax Lot 2505 of Jackson County Assessor's Map No. 391E11C owned by The City of Ashland.
- p. Offer is contingent upon Seller finding a suitable replacement property.
- q. Agreement is contingent on Buyer's ability to obtain the following Federal HOME Program Forms signed by Seller:
  - 1) Form 5A: Notice of Disclosure to Seller with Purchase Agreement
  - 2) Form 5C: Notice of Disclosure to Seller of Fair Market Value
  - 3) Form 5D: Seller's Occupancy Statement

---

Buyer Signature  Date 9-20-18, \_\_\_ AM 3:30 PM

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_ AM \_\_\_ PM

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Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_ AM \_\_\_ PM

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_ AM \_\_\_ PM



**OPTION AGREEMENT AND  
RECEIPT FOR EARNEST MONEY**

**DATE:** September 13<sup>th</sup>, 2018

**SELLER:** City of Ashland  
20 E. Main St.  
Ashland, Oregon 97520  
Attn: Adam Hanks

**BUYER:** Housing Authority of Jackson County  
2251 Table Rock Rd.  
Medford, OR 97501

**Recital**

Seller desires to sell to Buyer and Buyer desires to purchase from Seller certain real property with all improvements located on it commonly known as Tax Lot 2505 of Jackson County Assessor's Map No. 391E11C (the "Property"). The legal description will be supplied with the preliminary title report.

**Agreement**

Now, therefore, for valuable consideration, the parties agree as follows:

1. **Sale and Purchase.** Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of \$268,238 (the "Purchase Price").
2. **Earnest Money.** The sum of \$N/A shall be paid by Buyer as earnest money, payable by check and held in escrow, within 10 business days of this executed Option Agreement. The earnest money shall be applied to the Purchase Price on the Closing Date, as that term is defined below.
3. **Payment of Purchase Price.** The Purchase Price shall be paid as follows:
  - 3.1. At closing, the earnest money shall be credited to the Purchase Price.
  - 3.2. At closing, Buyer shall pay the balance of the purchase price in cash.
4. **Closing.** Closing shall take place on or before November 15, 2018 (the "Closing Date"), or, at buyer's option, pending the resolution of outstanding matters related to the purchase of Tax Lot 2504 of Jackson County Assessor's Map No. 391E11C from the City of Ashland at the offices of First American Title, Medford, OR. Each party shall pay one-half of the escrow fee and any transfer, excise, or sales tax assessed on the sale or contemplated by this Agreement. Buyer shall pay the recording fees for recording this Agreement or a memorandum of it.
5. **Acceptance.** This Agreement shall be null and void unless accepted by Seller, by Seller's execution of it, on or before September 23, 2018.



**6. Preliminary Title Report.** Within 10 days after full execution of this Agreement, Seller shall furnish to Buyer a preliminary title report showing the condition of title to the property, together with copies of all exceptions listed therein (the "Title Report"). Buyer will have 15 business days from receipt of the Title Report to review the Title Report and to notify Seller, in writing, of Buyer's disapproval of any exceptions shown in the Title Report. Those exceptions not objected to by Buyer are referred to below as the "Permitted Exceptions." If Buyer notifies Seller of disapproval of any exceptions, Seller shall have 15 days after receiving the disapproval notice to either remove the exceptions or provide Buyer with reasonable assurances of the manner in which the exceptions will be removed before the transaction closes. If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this Agreement by written notice to Seller given within 15 days after expiration of such 15-day period, in which event the earnest money shall be refunded to Buyer and this Agreement shall be null and void.

**7. Conditions**

**7.1.** Buyer's obligation to purchase the Property is contingent on Buyer's approval of its physical inspections and studies of the Property, which may include, but shall not be limited to, environmental evaluations and surveys. Buyer shall have until the Closing Date to complete its physical inspections and studies of the Property.

**7.2.** Buyer and its agents shall have full access to the Property for the purpose of conducting Buyer's inspections. If Buyer is not satisfied, in its sole discretion, with the result of Buyer's inspections, Buyer may terminate this Agreement by written notice to Seller given at any time before the Closing Date set forth above, in which event the earnest money shall be refunded to Buyer. If Buyer fails to give any such notices of termination prior to such date, the respective condition will be deemed satisfied or waived. Buyer shall indemnify, hold harmless, and defend Seller from all liens, costs, and expenses, including reasonable attorney's fees and other costs of defense, arising from or relating to Buyer's, and Buyer's agents, activities on the Property. This Agreement to indemnify, hold harmless, and defend Seller shall survive closing or any termination of this Agreement.

**8. Deed.** On the Closing Date, Seller shall execute and deliver to Buyer a statutory warranty deed, conveying the Property to Buyer, free and clear of all liens and encumbrances except the Permitted Exceptions.

**9. Title Insurance.** Within 15 days after closing, Seller shall furnish Buyer with an owner's policy of title insurance in the amount of the Purchase Price, standard form, insuring Buyer as the owner of the Property subject only to the usual printed exceptions and the Permitted Exceptions.

**10. Taxes; Pro Rates.** Real property taxes for the current tax year and other usual items shall be prorated as of the Closing Date.

**11. Possession.** Buyer shall be entitled to possession immediately upon closing.

**12. Seller's Representations.** Seller represents and warrants to Buyer as follows:



- 12.1. Seller has no knowledge and has received no written notice of any liens to be assessed against the Property.
- 12.2. Seller has no knowledge and has received no written notice from any governmental agency of any violation of any statute, law, ordinance, or deed restriction, rule, or regulation with respect to the Property.
- 12.3. Seller has no knowledge that the Property has ever been used for the storage or disposal of any hazardous material or waste. Seller has no knowledge of environmentally hazardous materials or wastes contained on or under the Property, and Seller has no knowledge that the Property has been identified by any governmental agency as a site upon which environmentally hazardous materials or wastes have been or may have been located or deposited.
- 12.4. All representations and warranties contained in this Agreement will survive closing and the conveyance of the Property to Buyer.
13. **Binding Effect/Assignment Restricted.** This Agreement is binding on and will inure to the benefit of Seller, buyer, and their respective heirs, legal representatives, successors, and assigns.
14. **Remedies.** TIME IS OF THE ESSENCE REGARDING THIS AGREEMENT. If the conditions described in Section 7 above are satisfied or waived by Buyer and the transaction does not thereafter close through no fault of Seller before the close of business on the Closing Date, Buyer shall forfeit the earnest money deposit to Seller as liquidated damages, and this Agreement shall be of no further effect, it being the intention of the parties that Buyer may forfeit the earnest money and be free of any further obligations under this Agreement. If Seller fails to deliver the deed described in Section 8 above on the Closing Date or otherwise fails to consummate the transaction, the earnest money will be refunded to Buyer, but acceptance by Buyer of the refund will not constitute a waiver of other remedies available to Buyer.
15. **Attorney Fees.** In the event action is instituted to enforce any term of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of appeal, as set by the appellate courts.
16. **Notices.** All notices and communications in connection with this Agreement shall be given in writing and shall be transmitted by certified or registered mail, return receipt requested, to the appropriate party at the address first set forth above. Any notice so transmitted shall be deemed effective on the date it is placed in the United States mail, postage prepaid. Either party may, by written notice, and designate a different address for purposes of this Agreement.
17. **Entire Agreement.** This agreement sets forth the entire understanding of the parties with respect to the purchase and sale of the Property. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.
18. **Applicable Law.** This Agreement shall be construed, applied, and enforced in accordance with the laws of the state of Oregon.



**19. Authority.** The persons signing this Agreement on behalf of Buyer and Seller each, respectively, represent, covenant, and warrant that each has full right and authority to enter into this Agreement and to bind the party for whom such person signs this Agreement.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FORM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE GOVERNMENTAL PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY APPROVED USES, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.33 SIX AND SECTIONS 5 TO 11, CHAPTER 42 FOUR, OREGON LAWS 2007, SECTIONS TWO TO 9 AND SEVENTEEN, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate as of the last date entered underneath the signatures below.

**SELLER:**

City of Ashland, Oregon

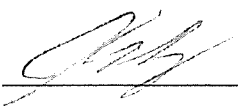
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**BUYER:**

Housing Authority of Jackson County

Name:  \_\_\_\_\_

Title: Executive Director \_\_\_\_\_

Dated: 9/17/18 \_\_\_\_\_

## ADDENDUM TO REAL ESTATE OPTION AGREEMENT

This is an addendum to the Option Agreement and Receipt for Earnest Money dated: September 13<sup>th</sup>, 2018.

Addendum No. 1

Buyer: Housing Authority of Jackson County

Seller: City of Ashland

The real property is described as: Tax Lot 2505 of Jackson County Assessor's Map No. 391E11C


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### SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE OPTION AGREEMENT REFERENCED ABOVE.

- a. This Agreement is contingent on obtaining financing in the amount of 50% of the purchase price for a period of 24 months at an interest rate of 7% or less.
- b. Contingent that there being no easement, right of way, lien, encumbrance, bankruptcy or other restriction existing now or prior to closing which would adversely affect the use of the Property by the Buyer for the purpose of providing affordable multifamily rental housing.
- c. Contingent on City services and utilities adequate for a housing project of the maximum density allowed for the site, including but not limited to: natural gas, power, phone, water, trash, cable, sanitary sewer, and storm sewer. Seller hereby certifies that to the best of their knowledge all city services are adequate for such use at this time.
- d. Contingent on the Buyer or Buyer's lending institution to obtain a valuation appraisal satisfactory to Buyer. Appraisal must be at or above sales price. Buyer shall provide such appraisal report to Seller. Should Seller terminate this Purchase Agreement based upon the results of Appraisal Report, Seller shall reimburse Buyer for cost of said Appraisal.
- e. Contingent on the ability of the buyer to go forward with obtaining zoning adequate to develop Multifamily Housing, or verification by the City of Ashland satisfactory to Buyer that the current zoning allows such use. Seller hereby certifies that adequate zoning is currently in place for lots 2504 and 2505.
- f. Contingent on the Buyer to obtain Environmental, Engineering, and Geotechnical Reports satisfactory to the Housing Authority Board of Directors.
- g. Contingent on the approval of the Housing Authority Board of Commissioners.
- h. Contingent upon Buyer's or Buyer's Lending Institution approval of preliminary title report of the subject property.
- i. Contingent upon buyer's satisfaction with the ability to obtain site plan approval to develop a multi-story multifamily housing project. Seller hereby certifies that there are currently no restrictions that would prohibit the development of a housing project in form substantially similar to the adjacent Snowberry Brook on parcels 2504 and 2505.



- j. Except for Seller's or Buyer's express written agreements and written representations contained herein, buyer is purchasing the property "as is" in its present condition and all defect apparent or not apparent.
- k. Seller shall provide Buyer all prior reports completed on the subject property including but not limited to: Environmental, Wetland or Vernal Pools, Geotechnical Engineering, Underground Storage Tank, Traffic Related, or Municipal Planning Reports. Seller represents and warrants to the best of Seller's ability that all known wetland issues associated with the property have been disclosed to the Buyer.
- l. Seller hereby represents and warrants to the best of Seller's ability that all known environmental concerns, property contamination, landfills, dump sites, or storage of hazardous substances on the Property have been disclosed to the Buyer in writing.
- m. Seller hereby represents and warrants that Buyer shall have no responsibility to construct any roadways adjacent to the property, including but not limited to an extension of McCall Drive to Villard Street or an extension of Villard Street as necessary.
- n. Seller hereby represents that they will bear all costs of relocating a water line located under the 7,000 square foot home proposed to be transferred to the Housing Authority.
- o. Contingent on completion of an Environmental Review by the City of Ashland as the responsible entity, as required by HUD for the development of affordable housing. The costs of this review shall be the responsibility of the buyer. Because such review requires input from various governmental agencies, should an extension to the closing date be required to complete, such extension shall not be unreasonably withheld.
- p. Contingent upon Buyer's acquisition of adjacent Tax Lot 2504 of Jackson County Assessor's Map No. 391E11C owned by The City of Ashland.
- q. Agreement is contingent on Buyer's ability to obtain the following Federal HOME Program Forms signed by Seller:
  - 1) Form 5A: Notice of Disclosure to Seller with Purchase Agreement
  - 2) Form 5C: Notice of Disclosure to Seller of Fair Market Value
  - 3) Form 5D: Seller's Occupancy Statement

Buyer Signature  Date 9/17/18, 11 AM      PM

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ AM \_\_\_\_\_ PM

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ AM \_\_\_\_\_ PM

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ AM \_\_\_\_\_ PM



**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:

3 Eric Poole / Eric Herron (Name of Buyer's Agent(s)\*), Oregon Lic. # 200212183 / 201218616  
4 of Full Circle Real Estate (Name of Real Estate Firm(s)\*)  
5 Buyer's Agent's Office Address 240 E Main St, Ashland, OR 97520-1831, Company Lic. # 200604291  
6 Phone (541)482-6868 Fax \_\_\_\_\_ E-mail \_\_\_\_\_

7 is/are the agent of (check one):  Buyer exclusively ("Buyer Agency").  Both Buyer and Seller ("Disclosed Limited Agency").

8 Noriko Hansen (Name of Seller's Agent(s)\*), Oregon Lic. # 201207936  
9 of Windermere Van Vleet & Associates (Name of Real Estate Firm(s)\*)  
10 Seller's Agent's Office Address 375 Lithia Way, Ashland, OR 97520, Company Lic. # 790200004  
11 Phone (541)482-3786 Fax (541)482-4273 E-mail norikohansen@windermere.com

12 is/are the agent of (check one):  Seller exclusively ("Seller Agency").  Both Buyer and Seller ("Disclosed Limited Agency").

13 \*If Buyer's and/or Seller's Agents and/or Firms are co-selling or co-listing in this transaction, all Agent and Firm names should be  
14 disclosed above. For directions on how to look up license numbers: <https://orea.elicense.irondata.com/Lookup/LicenseLookup.aspx>

15 If both parties are each represented by one or more Agents in the same Real Estate Firm, and Agents are supervised by the same principal broker  
16 in that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and  
17 Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Agent(s).

18 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  
19 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  
20 Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

21 Buyer Michael A Black Print City of Ashland Date 9/5/2018 5:10:12 PM PDT  
22 Buyer 1E08455A718D41D... Print \_\_\_\_\_ Date \_\_\_\_\_  
23 Seller Fain Shaffer Print Fain Shaffer Date 09-07-2018 8:12 AM PDT  
24 Seller Bonnie Shaffer Print Bonnie Shaffer Date 09-06-2018 5:05 PM PDT

**COMMERCIAL REAL ESTATE SALE AGREEMENT**

25 **THIS AGREEMENT IS INTENDED TO BE A LEGAL AND BINDING CONTRACT. IF IT IS NOT UNDERSTOOD, SEEK COMPETENT LEGAL**  
26 **ADVICE BEFORE SIGNING. FOR AN EXPLANATION OF THE PRINTED TERMS AND PROVISIONS IN THIS FORM REGARDING TIMING,**  
27 **NOTICE, BINDING EFFECT, ETC., SELLER AND BUYER ARE ENCOURAGED TO CLOSELY REVIEW SECTION 26 (DEFINITIONS AND**  
28 **INSTRUCTIONS SECTION).**

29 **1. PRICE/PROPERTY DESCRIPTION:** Buyer City of Ashland

30 \_\_\_\_\_  
31 offers to purchase from Seller Fain Shaffer, Bonnie Shaffer

32 \_\_\_\_\_  
33 the following described real property and all improvements thereon (hereinafter "the Property") situated in the State of Oregon, County of Jackson,  
34 and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.)

35 0 E Main Street, Ashland, OR 97520  
36 Map Lot / Tax Lot 10114946 / 200

37 (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  
38 Section 8, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)

39 for the Purchase Price (in U.S. currency) of \_\_\_\_\_ A \$ 1,000,000.00

40 on the following terms: earnest money herein received for \_\_\_\_\_ B \$ 5,000.00

41 on \_\_\_\_\_, as additional earnest money, the sum of \_\_\_\_\_ C \$ \_\_\_\_\_

42 at or before Closing, the balance of down payment \_\_\_\_\_ D \$ \_\_\_\_\_

43 at Closing and upon delivery of  DEED  CONTRACT the balance of the Purchase Price \_\_\_\_\_ E \$ 995,000.00

44 shall be paid as agreed in Financing Section of the Agreement. (Lines B, C, D and E should equal Line A)

Buyer Initials MLB Date 9/5/2018 5:10:12 PM PDT

Seller Initials FSBS Date 09-07-2018

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE  
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45 **2. FIXTURES/CONTROLS/KEYS/PERSONAL PROPERTY:** All fixtures and essential related equipment (e.g. remote controls , and all keys related to  
46 Property including mailbox, outbuilding(s), etc), except as provided in this Section 2, all fixtures, including trade fixtures, are to be left upon the Property  
47 as part of the Property being purchased, and all personal property is excluded from this transaction.

48 The following fixtures and/or trade fixtures are excluded from the Property being purchased: Horses.

51 The following personal property, in "AS-IS" condition is included as a part of the Property being purchased:

54 (*Attach inventory if necessary.*) If certain personal property that is to be included as a part of this sale is to have a separately stated value in  
55 addition to the purchase price, the parties agree to attach a separate exhibit, jointly signed, identifying the stated value(s) of such property within  
56 \_\_\_\_\_ business days (five [5] if not filled in) following the date both parties have signed this Agreement.

**FINANCING**

58 **3. BALANCE OF PURCHASE PRICE.** (Select A or B)

59 **A.  This is an all cash transaction.** Buyer to provide verification ("Verification") of readily available funds as follows (*select only one*):  Buyer  
60 has attached a copy of the Verification with the submission of this Agreement to Seller;  Buyer will provide Seller with the Verification within  
61 5 business days (five [5] if not filled in) after this Agreement has been signed and accepted; or  Other (*Describe*): \_\_\_\_\_

62  
63 Seller may notify Buyer, in writing, of Seller's unconditional disapproval of the Verification within 2 business days (two [2] if not filled in)  
64 ("Disapproval Period") following its receipt by Seller. Provided, however, such disapproval must be objectively reasonable. Upon such disapproval, all  
65 earnest money deposits shall be promptly refunded to Buyer and this transaction shall be terminated. **If Seller fails to provide Buyer with written  
66 unconditional disapproval of the Verification by 5:00 p.m. of the last day of the Disapproval Period, Seller shall be deemed to have approved  
67 the Verification. If Buyer fails to submit a Verification within a time frame selected above, unless the parties agree otherwise in writing, all  
68 earnest money deposits shall be promptly refunded and this transaction shall be terminated.**

69 **B.  Balance of Purchase Price to be financed through one of the following Loan Programs** (Select only one):  Conventional;  
70  Other (*Describe*): \_\_\_\_\_ (hereinafter "Loan  
71 Program"). **Buyer agrees to seek financing through a lending institution or mortgage broker (hereinafter collectively referred to as  
72 "Lender") participating in the Loan Program selected above.**

73 **C. Pre-Approval Letter.**  Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender;  Buyer does not have a Pre-Approval  
74 Letter at the time of making this offer;  Buyer agrees to secure a Pre-Approval Letter and provide a copy to Seller as follows: \_\_\_\_\_

76 **4.1 FINANCING CONTINGENCIES.** If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing  
77 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,  
78 (3) Other (*Describe*): \_\_\_\_\_

80 Except as otherwise provided herein, all Financing Contingencies are solely for Buyer's benefit and may be waived by Buyer in writing at any time.

81 **4.2 FAILURE OF FINANCING CONTINGENCIES.** If Buyer receives actual notification from Lender that any Financing Contingencies identified  
82 above have failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have \_\_\_\_\_ business days (two [2] if not filled  
83 in) following the date of Buyer's notification to Seller to either (a) Terminate this transaction by signing a **Termination Agreement (OREF-057)**  
84 and/or such other similar form as may be provided by Escrow; or (b) Reach a written mutual agreement upon such price and terms that will permit  
85 this transaction to continue. Neither Seller nor Buyer is required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur  
86 within the time period identified in this Section 4.2, this transaction shall be automatically terminated and all earnest money shall be promptly  
87 refunded to Buyer. Buyer understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on  
88 the market for sale upon any price and terms as Seller determines, in Seller's sole discretion.

89 **4.3 BUYER REPRESENTATION REGARDING FINANCING:** Buyer makes the following representations to Seller: (1) Buyer's completed loan  
90 application, as hereinafter defined, shall be submitted to the Lender that provided the Pre-Approval Letter, a copy of which has been delivered to  
91 Seller, or will be, pursuant to Section 3C, above.

92 (2) Buyer shall submit to Buyer's Lender a completed loan application for purchase of the Property not later than \_\_\_\_\_ business days (three  
93 [3] if not filled in) following the date Buyer and Seller have signed and accepted this Agreement. A "completed loan application" shall include the  
94 following information: (i) Buyer's name(s); (ii) Buyer's income(s); (iii) Buyer's social security number(s); (iv) the Property address; (v) an estimate of  
95 the value of the Property; and (vi) the loan amount sought.

Buyer Initials MLB / \_\_\_\_\_ Date 9/5/2018 5:10:12 PM PDT

Seller Initials FS, BS Date 09-07-2018

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

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OREF 007

96 (3) Buyer agrees that if Buyer intends to proceed with the loan transaction, Buyer will so notify Lender within \_\_\_ business days (three [3] if not filled in -  
97 but not to exceed ten [10]) in such form as required by said Lender, following Buyer's receipt of Lender's Loan Estimate. Upon request, Buyer shall  
98 promptly notify Seller of the date of Buyer's signed notice of intent to proceed with the loan.

99 (4) Buyer will thereafter complete all paperwork requested by the Lender in a timely manner, and exercise best efforts (including payment of all  
100 application, appraisal and processing fees, where applicable) to obtain the loan.

101 (5) Buyer understands and agrees that Buyer may not replace the Lender or Loan Program already selected, without Seller's written consent, which  
102 may be withheld in Seller's sole discretion.

103 (6) Following submission of the loan application, Buyer agrees to keep Seller promptly informed of all material non-confidential developments  
104 regarding Buyer's financing and the time of Closing.

105 (7) Buyer shall make a good faith effort to secure the ordering of the Lender's appraisal no later than expiration of the Inspection Period at Section 10  
106 of this Agreement, (or Section 1 of the **OREF 058 Professional Inspection Addendum** if used).

107 (8) Buyer currently has liquid and available funds for the earnest money deposit and down payment sufficient to Close the transaction described  
108 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.),  
109 except as follows (describe): **Sale is contingent on the successful sale of Clay St., Ashland, OR 97520; Map/Tax Lot:**  
110 **391E11C/2504.**  
111

112 (9) Buyer authorizes Buyer's Lender to provide non-confidential information to Buyer's and Seller's Agents regarding Buyer's loan application  
113 status.

114 **5.1 INSURANCE:** Buyer is encouraged to promptly verify the availability and cost of property/casualty/fire insurance that will be secured for the  
115 Property. Additionally, Lenders may require proof of property/casualty/fire insurance as a condition of the loan.

116 **5.2 FLOOD INSURANCE; ELEVATION CERTIFICATE:** If the Property is located in a designated flood zone, flood insurance may be required as a  
117 condition of a new loan. Buyer is encouraged to promptly verify the need, availability, and cost of flood insurance, if applicable. An Elevation  
118 Certificate ("EC") is the document used by the federal National Flood Insurance Program ("NFIP") to determine the difference in elevation between a  
119 home or building, and the base flood elevation ("BFE"), which is a computed elevation to which floodwater is anticipated to rise during certain floods.  
120 The amount of the flood insurance premium for a particular property is based upon the EC. Not all properties in flood zones require an EC,  
121 depending upon when they were constructed. ECs must be prepared and certified by a land surveyor, engineer, or architect who is authorized by the  
122 local jurisdiction to certify elevation information. The costs and fees for an EC may range from a few hundred dollars to over a thousand. **If the**  
123 **Property requires an EC, it will need to be obtained prior to receiving a flood insurance quote. Additionally, Lenders may require an EC as**  
124 **a condition of loan approval. For more information, go to the following link: <http://www.fema.gov/base-flood-elevation>**

125 **6. SELLER-CARRIED FINANCING (E.G., LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,**  
126 **ETC.):** Notice to Buyer and Seller: If this transaction involves a land sale contract, trust deed, mortgage, option, or lease-to-own agreement  
127 (hereinafter a "Seller Carried Transaction"), Oregon law requires that, unless exempted, individuals offering or negotiating the terms must hold a  
128 mortgage loan originator ("MLO") license. Your real estate agent is not qualified to provide these services or to advise you in this regard. Legal  
129 advice is strongly recommended. Oregon law exempts the following individuals from the MLO licensing law: (a) Those who offer or negotiate terms  
130 of a residential mortgage loan with or on behalf of their spouse, child, sibling, parent, grandparent, grandchild or a relative in a similar relationship  
131 created by law, marriage or adoption; (b) Those who sell their primary residence they currently or previously lived in; and (c) Individuals who sell up  
132 to three (3) non-primary residences during any 12-month period. (Note: One may not hold more than eight residential mortgage loans at one time.) If  
133 this is a Seller-Carried Transaction, and one or more of the preceding exemptions apply, Buyer and Seller agree as follows (select only one):

- 134  (a) Secure separate legal counsel to negotiate and draft the necessary documents; or
- 135  (b) Employ an MLO; or
- 136  (c) Use the **OREF 033 Seller-Carried Transaction Addendum** and related forms.

137 Seller and Buyer agree that regardless of whether (a), (b), or (c) is selected, they will reach a signed written agreement upon the terms and  
138 conditions of such financing (e.g. down payment, interest rate, amortization, term, payment dates, late fees, balloon dates, etc.) within \_\_\_ business  
139 days (ten [10] if not filled in) commencing on the next business day following the date they have signed and accepted this Sale Agreement  
140 ("Negotiation of Terms Period"). Upon failure of Buyer and Seller to reach agreement by 5:00 p.m. on the last day of the Negotiation of Terms  
141 Period, or such other times as may be agreed upon in writing, all earnest money deposits shall be refunded to Buyer and this transaction shall be  
142 automatically terminated. **Caveat: Buyer's and Seller's Agents are not authorized to render advise on these matters. Buyer and Seller are**  
143 **advised to secure competent legal advice while engaged in a Seller-Carried Transaction.**

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Seller Initials FSBS Date 09-07-2018 8:12 AM PDT

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144 7. ADDITIONAL FINANCING PROVISIONS (e.g. Closing: Costs): Buyer acknowledges Sellers' donation of approximately \$780,000.00 in  
145 real property donation. The entity of which this donation will be made to will be determined by October 1, 2018 and executed at closing.  
146

147 **CONTINGENCIES**

148 8. TITLE INSURANCE: Upon signature and acceptance of this Agreement by Buyer and Seller, Seller will, at Seller's sole expense, promptly order  
149 from the title insurance company selected at Section 18 below, a preliminary title report and copies of all documents of record ("the Report and  
150 Documents of Record") for the Property, and furnish them to Buyer at Buyer's contact location as defined at Section 26(3) below. Unless otherwise  
151 provided herein, this transaction is subject to Buyer's review and approval of the Report and Documents of Record (If, upon receipt, the Report  
152 and Documents of Record are not fully understood, Buyer should immediately contact the title insurance company for further  
153 information or seek competent legal advice). The Buyer's and Seller's Agents are not qualified to advise on specific legal or title issues.)  
154 Upon receipt of the Report and Documents of Record Buyer shall have 5 business days (five [5] if not filled in) within which to notify Seller, in  
155 writing, of any matters disclosed in the Report and Documents of Record which is/are unacceptable ("the Objections"). Buyer's failure to timely  
156 object in writing, shall constitute acceptance of the Report and/or Documents of Record. However, Buyer's failure to timely object shall not relieve  
157 Seller of the duty to convey marketable title to the Property pursuant to Section 24, below. If, within 5 business days (five [5] if not filled in)  
158 following Seller's receipt of the Objections, Seller fails to remove or correct the matters identified therein, or fails to give written assurances  
159 reasonably satisfactory to Buyer, that they will be removed or corrected prior to Closing, all earnest money shall be promptly refunded to Buyer, and  
160 this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Within thirty (30) days  
161 after Closing, the title insurance company shall furnish to Buyer, an owner's standard form policy of title insurance insuring marketable title in the  
162 Property to Buyer in the amount of the Purchase Price, free and clear of the Objections, if any, and all other title exceptions agreed to be removed  
163 as part of this transaction. (Note: This Section 8 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In  
164 some areas of the country, such a payment might be regarded as a "seller concession." Under the TILA/RESPA Integrated Disclosure  
165 Rules ["the Rules"], there are limitations, regulations and disclosure requirements on "seller concessions", unless the product or  
166 service paid for by the Seller was one customarily paid by sellers in residential sales transactions. In Oregon, sellers customarily and  
167 routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 9 are modified in  
168 writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's  
169 standard owner's policy of title insurance is not a "seller concession" under the Rules or any other federal law.)

170 9. INSPECTIONS/ENVIRONMENTAL HEALTH CONDITIONS: The following list identifies some, but not all, environmental conditions that may be  
171 found in and around all real property that may affect health: Asbestos, carbon monoxide, electric and magnetic fields, formaldehyde, lead and other  
172 contaminants in drinking water and well water, lead based paint, mold and mildew, radon, and leaking underground storage tanks. If Buyer has any  
173 concerns about these conditions or others, Buyer is encouraged to secure the services of a licensed professional inspector, consultant, or health  
174 expert, for information and guidance. Neither the Buyer's nor Seller's Agents are experts in environmental health hazards or conditions. Buyer  
175 understands that it is advisable to have a complete inspection of the Property by qualified licensed professional(s) relating to such  
176 matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating systems, and  
177 suitability for Buyer's intended purpose. Neither the Buyer's nor Seller's Agents are qualified to conduct such inspections and shall not  
178 be responsible to do so. If some or all of the Property includes residential housing, Buyer is encouraged to review the Oregon Property  
179 Buyer Advisory <http://www.oregonrealtors.org/resources/membership-resources/buyer-seller-advisories> and the Oregon Public Health Division at  
180 <http://public.health.oregon.gov/Pages/Home.aspx>

181 Check only one box below:

182  LICENSED PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected  
183 by one or more licensed professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired  
184 invasive inspections that may include testing or removal of any portion of the Property including, for example, including radon and mold. Buyer  
185 understands that Buyer is responsible for the restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf.  
186 Buyer shall have 30 business days (ten [10] if not filled in), after the date Buyer and Seller have signed and accepted this Agreement (hereinafter  
187 "the Inspection Period"), in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any inspection report.  
188 Buyer shall not provide all or any portion of the inspection reports to Seller unless requested by Seller. However, at any time during this  
189 transaction, or promptly following termination, upon request by Seller, Buyer shall promptly provide a copy of such reports or portions of reports, as  
190 requested. During the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a  
191 written agreement has already been reached with Seller regarding Buyer's requested repairs, at any time during the Inspection Period, Buyer may  
192 notify Seller, in writing, of Buyer's unconditional disapproval of the Property based on any inspection report(s), in which case, all earnest money  
193 deposits shall be promptly refunded, and this transaction shall be terminated. If Buyer fails to provide Seller with written unconditional  
194 disapproval of any inspection report(s) by 5:00 P.M. of the final day of the Inspection Period, Buyer shall be deemed to have accepted the  
195

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196 condition of the Property. Note that if, prior to expiration of the Inspection Period, written agreement is reached with Seller regarding Buyer's  
197 requested repairs, the Inspection Period shall automatically terminate, unless the parties agree otherwise in writing.

198 Identify Invasive Inspections: \_\_\_\_\_

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

202 **10. LEAD-BASED PAINT CONTINGENCY PERIOD:** If the Property was constructed before 1978, on or promptly after the date the parties have  
203 signed and accepted this Agreement, Seller shall deliver to Buyer OREF 021, the Lead-Based Paint Disclosure Addendum ("the Disclosure  
204 Addendum"), together with the EPA Pamphlet entitled "Protect Your Family From Lead in Your Home" (the "Date of Delivery"). Unless waived by  
205 Buyer in writing in the Disclosure Addendum, Buyer shall have ten (10) calendar days or other mutually agreed upon period) commencing on the day  
206 following the Date of Delivery, within which to conduct a lead-based paint assessment or inspection (the "LBP Contingency Period"). If lead-based  
207 paint and/or lead-based paint hazards are identified in the Property by a certified inspector at any time before expiration of the LBP Contingency  
208 Period, Buyer may unconditionally cancel this transaction by written notice to Seller ("Notice of Cancellation"). In such case, Buyer shall deliver a  
209 copy of any written reports or evaluations (collectively "Reports") to Seller, *together with* the Notice of Cancellation, and thereafter receive a prompt  
210 refund of all earnest money deposits. **Buyer understands that the failure to deliver the Notice of Cancellation to Seller together with the**  
211 **Reports, on or before Midnight of the last day of the LBP Contingency Period shall constitute acceptance of the condition of the Property**  
212 **as it relates to the presence of lead-based paint or lead-based paint hazards, and the LBP Contingency Period shall automatically expire.**

213 **11. SELLER'S DOCUMENTS:** (check one):  Seller has previously delivered to Buyer copies of all documents containing material information about the  
214 Property that Seller has in Seller's possession or control including but not limited to documents and records relating to the ownership, operation and  
215 maintenance of the Property (hereinafter "Relevant Business Documents").  Seller agrees that within 10 business days (ten [10] if not filled in) following  
216 the date Buyer and Seller have signed and accepted this Agreement, Seller will deliver to Buyer Relevant Business Documents. In addition to Relevant  
217 Business Documents, Seller shall, within the same period as provided in this Section 11, deliver to Buyer the following additional information: See  
218 Addendum "B", Exhibit A and Attached Vacant Land Disclosure.

219 **12. PROPERTY DISCLOSURE LAW:** Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that  
220 Buyer has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days after Seller's delivery of Seller's  
221 Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the Oregon Administrative Rules) if Buyer does not  
222 receive the Statement from Seller before Closing. Buyer may waive the right of revocation only in writing. Seller authorizes Seller's Agent's Firm to  
223 receive Buyer's notice of revocation, if any, on Seller's behalf.  
224  
225

**SELLER REPRESENTATIONS**

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

- 228 (1) Seller has full and complete authority to enter into this Agreement and convey the Property in accordance with the terms hereof.
- 229 (2) Seller has no notice from any governmental agency of a condemnation, environmental, zoning or similar proceeding, existing or  
230 planned, which could affect the use, development, operation or value of the Property.
- 231 (3) Seller has no knowledge of any hazardous substances in or about the Property.
- 232 (4) Seller knows of no material structural defects in or about the Property.
- 233 (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including  
234 landscaping, if any, will be in substantially its present condition at the time Buyer is entitled to possession.
- 235 (6) Seller has no notice of any liens or assessments to be levied against the Property.
- 236 (7) Seller has no notice from any governmental agency of any violation of law relating to the Property.
- 237 (8) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.
- 238 (9) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges, landscaping,  
239 structures, driveways, and other such improvements) currently existing on the Property offered for sale and the legal description of the Property.
- 240 (10) Seller will keep the Property fully insured through Closing.

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241 (11) Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition that could result in
242 making any previously disclosed material information relating to the Property substantially misleading or incorrect.
243 These representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1)
244 through (11) are: \_\_\_\_\_ (For more exceptions see Addendum \_\_\_\_\_).
245 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in
246 lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where
247 appropriate, regarding all material matters bearing on the condition of the Property, its value, and its suitability for Buyer's intended use. Neither
248 Buyer's nor Seller's Agents shall be responsible for inspecting or conducting any investigation of any aspects of the Property.

249 14.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS. Subject to certain exceptions, Escrow is required to withhold a
250 portion of Seller's proceeds if Seller is a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to cooperate
251 with Escrow by executing and delivering any instrument, affidavit or statement as requested, and to perform any acts reasonable or necessary to
252 carry out the provisions of Oregon law.

253 14.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING REQUIREMENT: Seller and Buyer are advised that upon Closing, a Federal law, known
254 as the Foreign Investment in Real Property Tax Act ("FIRPTA"), requires buyers to withhold a portion of a seller's proceeds if the real property is located within
255 the United States and the seller is a "foreign person" who does not qualify for an exemption ("Withholding Requirement"). A "foreign person" includes a non-
256 resident alien individual, foreign corporation, foreign partnership, foreign trust or a foreign estate. Generally, the following rules apply under FIRPTA:

257 (a) There is no Withholding Requirement, even if the seller is a "foreign person", if: (i) The purchase price of the property is not more than \$300,000; and (ii) The
258 property will be occupied as a residence by a buyer who is an individual (or a member of his/her family) (iii) for at least 50% of the number of days (excluding
259 days the property is vacant) it is used by such person during each of the first two 12-month periods following the date of closing;

260 (b) The Withholding Requirement will be ten percent (10%) of the purchase price when the seller is a "foreign person" and the purchase price is over
261 \$300,000, but less than \$1,000,000, and (a)(ii) and (iii) above apply; and

262 (c) The Withholding Requirement will be a fifteen percent (15%) of the purchase price when the seller is a "foreign person" and the purchase price is
263 over \$1,000,000, or the purchase price is \$1,000,000 or less and Seller does not qualify for any of the exemptions in (a) or (b) above.

264 If FIRPTA applies (i.e. Seller is a foreign person), even if there is an exemption, Seller and Buyer must complete and sign the OREF 093 FIRPTA
265 Addendum. If FIRPTA does not apply (i.e. seller is not a foreign person), then Seller shall, upon Buyer's request, complete, sign, and deliver to
266 Buyer a FIRPTA Certification of Non Foreign Status ("the Certificate") prior to Closing. If Seller fails or refuses to complete, sign, or deliver the
267 Certificate to Buyer prior to Closing, Seller understands and agrees that the Withholding Requirement shall apply to this transaction. Seller's and
268 Buyer's Agents are not experts in FIRPTA and will not act as a transferor or transferee agent for purposes of the Withholding Requirement. If
269 FIRPTA may apply in this transaction, Seller and Buyer should promptly consult their own experts familiar with the law and regulations. For
270 further information, Seller and Buyer should go to: https://www.irs.gov/individuals/international-taxpayers/firpta-withholding

271 15. "AS-IS": Except for Seller's express written agreements and written representations contained herein, Buyer is purchasing the Property "AS-
272 IS," in its present condition and with all defects apparent or not apparent.

273 MISCELLANEOUS ITEMS

274 16. EXISTING LEASES: The Property (check one):  is  is not subject to one or more existing leasehold interests, which Seller represents and
275 warrants are current and free from default. If applicable, Seller agrees to deliver complete and legible copies of the written lease(s) to Buyer for
276 review within 5 business days (three [3] if not filled in) following the date Buyer and Seller have signed this Agreement. Buyer and Seller
277 shall have 5 business days (five [5] if not filled in) following Buyer's receipt of all lease(s) within which to reach a signed written agreement
278 with Seller regarding Buyer's approval of the lease(s) and the conditions, if any, under which they will be assumed and/or assigned. In the event
279 such written agreement is not reached within the time provided herein, all earnest money shall be refunded to Buyer, and this transaction shall be
280 terminated. This condition is for the benefit of both Buyer and Seller, and may not be waived by either party without the other's written consent.

281 17. ADDITIONAL PROVISIONS AND CONDITIONS TO PURCHASE: Addendum "B" represents terms of this agreement. Any
282 inconsistencies with this agreement will be resolved in favor of Addendum "B".

283 \_\_\_\_\_ For additional provisions, see Addendum \_\_\_\_\_
284 \_\_\_\_\_

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CLOSING/ESCROW

285

286 18. ESCROW: This transaction shall be Closed at First American Title Company ("Escrow"),
287 a neutral escrow located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless otherwise provided herein.
288 Unless otherwise provided herein, the parties agree as follows: Seller authorizes Seller's Agent's Firm to order a preliminary title report and owner's title policy
289 at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's recording fees,
290 Seller's Closing costs and any encumbrances on the Property payable by Seller on or before Closing. Buyer shall deposit with Escrow sufficient funds
291 necessary to pay Buyer's recording fees, Buyer's Closing costs, and Lender's fees, if any. Real estate fees, commissions or other compensation for
292 professional real estate services provided by Buyer's or Seller's Agent's Firms shall be paid at Closing in accordance with the listing agreement, buyer service
293 agreement or other written agreement for compensation.

294 19. PRORATIONS: Prorates for rents, current year's real and personal property taxes, interest on assumed obligations, and other prepaid expenses
295 attributable to the Property shall be prorated as of (check one): [X] the Closing Date; [ ] date Buyer is entitled to possession; or [ ]

296 20. EARNEST MONEY DEPOSIT(S) AND BUYER INSTRUCTIONS: When this Sale Agreement is signed and accepted by Buyer and Seller, the
297 following instructions shall immediately apply to the handling of Buyer's earnest money deposit in the sum of \$ 5,000.00 ("the
298 Deposit").

299 20.1 The Deposit shall be payable by wire transfer or check and deposited within 5 (three [3] if not filled in) business days (the "Deposit
300 Deadline") as follows (check all that apply):

- 301 [X] Directly with Escrow;
302 [ ] Directly into Buyer's Agent's Firm's client trust account and remain there until disbursement at Closing; and/or
303 [ ] Directly into Buyer's Agent's Firm's client trust account and thereafter deposit with Escrow/Title Company prior to Closing;
304 [ ] As follows:

305 Caution: The Deposit, payable by whatever method selected by Buyer above, shall be placed with Escrow or Buyer's Agent's Firm's Client Trust
306 account no later than 5:00 pm on the last day of the Deposit Deadline. The failure to do so may result in a breach of the Sale Agreement under
307 EARNEST MONEY REFUND TO BUYER/EARNEST MONEY PAYMENT TO SELLER PAYMENT/REFUND sections below.

308 20.2 If an additional Deposit ("Additional Deposit") is to be paid, it shall be handled in accordance with the above-selected instructions, or (Describe):
309

310 20.3 Once the Deposit, and Additional Deposit, if any, is/are placed with Escrow, Seller's and Buyer's Agents and Firms shall have no further
311 responsibility to Buyer or Seller regarding said funds.

312 20.4 Non-refundable Deposit. (Do not complete A and B, below, unless the deposit is intended to become nonrefundable. If deposit(s) is/are in Escrow,
313 additional written instructions may be necessary.) Buyer and Seller agree that (Check one or both of the following two boxes):
314 [ ] the earnest money deposit of \$ and/or [ ] the additional earnest money deposit of \$ shall become nonrefundable for
315 all purposes except those cases in which Seller's default results in a failure of this transaction to Close in accordance with this Agreement:

- 316 A. Terms of disbursement/holding of nonrefundable deposit (Select only one of the following three boxes below):
317 [ ] Disburse directly to Seller as follows:
318
319 [ ] Remain in Escrow and disburse to Seller upon Closing or earlier termination of this transaction, or
320 [ ] Remain in Selling Firm's client trust account and disburse to Seller upon Closing or earlier termination of this transaction.
321 B. Event/timing of non-refundability
322 The deposit(s) shall become nonrefundable immediately upon the occurrence of the following (Select only one of the following four boxes in B.)
323 [ ] (insert date)
324 [ ] (insert event)
325 [ ] (insert conditions to be satisfied or waived after which time disbursement shall occur)
326
327 [ ] Other:
328

329 21. EARNEST MONEY DEPOSIT INSTRUCTIONS TO ESCROW: Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a
330 copy of this Agreement marked "rejected" by Seller or upon Seller's Agent's Firm's written advice that the offer is "rejected" by Seller, you are to refund all
331 earnest money to Buyer. (2) Upon your receipt of a copy of this Agreement signed by Buyer and Seller set up an escrow account and proceed with Closing in
332 accordance with the terms of this Agreement. If you determine that the transaction cannot be Closed for any reason (whether or not there is then a dispute

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333 between Buyer and Seller) below, you are to hold all earnest money deposits until you receive written instructions from Buyer and Seller, or a final ruling from  
334 a court or arbitrator, as to disposition of such deposits.

335 **22.1 EARNEST MONEY REFUND TO BUYER:** If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but  
336 fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with the material terms of this Agreement; or (4) any  
337 condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through no fault of Buyer, then  
338 all earnest money deposits shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a waiver of other  
339 legal remedies available to Buyer.

340 **22.2 EARNEST MONEY PAYMENT TO SELLER:** If Seller signs and accepts this Agreement and title is marketable; and (1) Buyer has materially  
341 misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money or fails to timely  
342 make a wire transfer for Buyer's earnest money; or (3) Buyer fails to complete this transaction in accordance with the material terms of this  
343 Agreement, then all earnest money paid or agreed to be paid shall be paid to Seller as liquidated damages. The parties expressly agree that Seller's  
344 economic and non-economic damages arising from Buyer's failure to close this transaction in accordance with the terms of this Agreement would be  
345 difficult or impossible to ascertain with any certainty, and that said earnest money deposit(s) identified herein shall represent a binding liquidated  
346 sum, and that it is a fair, reasonable and appropriate pre-estimate of Seller's damages, and is not a penalty. **It is the intention of the parties that**  
347 **Seller's sole remedy against Buyer for Buyer's failure to close this transaction in accordance with the material terms of this Agreement**  
348 **shall be limited to the amount of earnest money paid or agreed to be paid herein. Seller's right to recover from Buyer any unpaid earnest**  
349 **money agreed to be paid herein shall be in accordance with the provisions of the Dispute Resolution Sections below.**

350 **23.1 CLOSING:** Closing shall occur on a date mutually agreed upon between Buyer and Seller, but in no event later than 10/17/2018 ("the Closing  
351 Deadline"). The terms "Closed", "Closing" or "Closing Date" shall mean when the deed or contract is recorded and funds are available to Seller. Buyer and  
352 Seller acknowledge that for Closing to occur by the Closing Deadline, it may be necessary to execute documents and deposit funds in Escrow prior  
353 to that date. *Caveat: Section 6 requires three (3) days prior to the Closing Deadline if Escrow is to prepare a note and a deed of trust or mortgage.*

354 **23.2 THE CLOSING DISCLOSURE:** If the Property, or a dwelling unit located therein, will be used, or is expected to be used, as Buyer's primary  
355 residence, and lender financing is involve, pursuant to the federal TILA-RESPA Integrated Disclosure Rules ("TRID"), Buyer and Seller will each  
356 receive a federally-required document called a "Closing Disclosure", which, among other things, summarizes each party's closing costs. TRID  
357 requires that the Closing Disclosure must be received by a residential loan borrower at least three (3) business days prior to "consummation" of the  
358 transaction, which in most cases in Oregon will be the date on which Buyer signs the loan documents. Under certain circumstances, a change to  
359 the Closing Disclosure late in the transaction could result in a delay in Closing to comply with the three business day rule. **Such a delay beyond**  
360 **the Closing Deadline could result in termination of the transaction unless Seller and Buyer mutually agree to extend it.**

361 **23.3 NOTICE REGARDING TITLE INSURANCE COSTS:** The manner in which TRID requires title insurance costs to be disclosed differs from the  
362 actual costs that may be charged to the parties under Oregon law. In such instances, at Closing, Escrow may issue a separate statement showing  
363 the actual costs for an owner's policy of title insurance and, where applicable, the lender's policy of title insurance. **Seller and Buyer are**  
364 **encouraged to discuss this with Escrow prior to Closing.**

365 **24. DEED:** Seller shall convey marketable title to the Property by (check one):  statutory warranty deed or  \_\_\_\_\_  
366 \_\_\_\_\_  
367 (if neither box is checked a statutory warranty deed shall be used) free and clear of all liens of record, except property taxes that are a lien but not  
368 yet payable, zoning ordinances, building and use restrictions, reservations in federal patents, easements of record that affect the Property,  
369 covenants, conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 8. If Buyer's title will be held in the name  
370 of more than one person see Section 33 regarding forms of co-ownership.

371 **25. POSSESSION:** Seller shall remove all personal property (including trash and debris) that is not a part of this transaction, and deliver  
372 possession of the Property to Buyer (select one):

- 373 (1)  by 5:00 p.m. on Closing;
- 374 (2)  by \_\_\_\_\_  a.m.  p.m. \_\_\_\_\_ days after Closing;
- 375 (3)  by \_\_\_\_\_  a.m.  p.m. on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

376 If a tenant is currently in possession of the Property (check one):  Buyer will accept tenant at Closing;  Seller shall have full responsibility for  
377 removal of tenant prior to Closing.

**DEFINITIONS/INSTRUCTIONS**

378 **26. DEFINITIONS/INSTRUCTIONS:** (1) All references in this Sale Agreement to "Agent" and "Firm" shall refer to Buyer's and Seller's real  
379 estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated.

Buyer Initials <sup>DS</sup> MLB / Date 9/5/2018 5:10:12 PM PDT

Seller Initials FS/BS Date 09-07-2018 8:12 AM PDT

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380 (2) Time is of the essence of this Agreement.

381 (3) Except as provided in Section 8, above, all written notices or documents, required or permitted under this Agreement to be delivered to Buyer or  
 382 Seller may be delivered to their respective Agent with the same effect as if delivered to that Buyer or Seller. Upon opening of this transaction with the  
 383 title company identified at Section 18, above, Buyer, Seller, and their respective Agents, where applicable, shall provide Escrow with their preferred  
 384 means of notification (e.g. email or text address, facsimile number, or mailing or personal delivery address, or other), which shall serve as the  
 385 primary location for receipt of all notices or documents (hereinafter, "Contact Location")

386 (4) Agent(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement.

387 (5) A "business day" shall mean Monday through Friday, except recognized state and federal holidays.

388 (6) Unless Seller and Buyer expressly provide otherwise, the phrase "signed and accepted" in the printed text of this Sale Agreement, or any  
 389 addendum or counteroffer, however designated (collectively, "the Agreement" or "the Sale Agreement"), shall mean the date and time that either the  
 390 Seller and/or Buyer has/have: (a) Signed their acceptance of the Agreement received from the other party, or their Agents, and (b) Transmitted it to  
 391 the sending party, or their Agent, either by manual delivery ("Manual Delivery"), or by facsimile or electronic mail/text (collectively, "Electronic  
 392 Transmission"). When the Agreement is "signed and accepted" as defined herein, the Agreement becomes legally binding on Buyer and Seller, and  
 393 neither has the ability to withdraw their offer or counteroffer, as the case may be.

394 (7) The sending of a signed acceptance of the Agreement via Electronic Transmission from one party, or their Agent, to the other party, or their  
 395 Agent, shall have the same effect as Manual Delivery of the signed original. If the parties intend to use any other method for transmitting a signed  
 396 offer or acceptance of the Agreement (such as regular mail, certified mail, or overnight delivery), they should so specify at Section 17 (Additional  
 397 Provisions) of this Sale Agreement.

398 (8) Time calculated in days after the date Buyer and Seller have signed and accepted this Agreement shall start on the first full business day after  
 399 the date they have signed and accepted it.

400 (9) This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and Seller. However, Buyer's rights under  
 401 this Agreement or in the Property are not assignable without prior written consent of Seller.

402 (10) This Agreement may be signed in multiple legible counterparts with the same legal effect as if all parties signed the same document.

403 (11) Excepting only the Lead-Based Paint Contingency Period identified in Section 10, unless a different time is specified in the Agreement, all  
 404 deadlines for performance, however designated, that are measured in business or calendar days, shall terminate as of 5:00 p.m. on the last day of  
 405 that deadline, however designated.

406 **27. UTILITIES:** Seller shall pay all utility bills accrued to date Buyer is entitled to possession. **Buyer shall pay Seller for heating fuel/propane then on**  
 407 **premises, at Seller's supplier's rate on the possession date.** Payment shall be handled between Buyer and Seller outside of Escrow. Seller shall not  
 408 terminate or disconnect electric, gas, heating fuel/propane, or water utilities prior to Closing unless parties agreed otherwise in writing.

409 **28. APPROVED USES:** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING  
 410 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT  
 411 AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS  
 412 DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE  
 413 SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11,  
 414 CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8,  
 415 OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY  
 416 SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING  
 417 TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF  
 418 THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF  
 419 NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300,195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424,  
 420 OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS  
 421 2010.

422 **29. IRC 1031 EXCHANGE:** In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to  
 423 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 escrow or  
 424 cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a contingency to the  
 425 Closing of this transaction.

426 **30.1 LEVY OF ADDITIONAL PROPERTY TAXES:** The Property (*check one*):  is  is not specially assessed for property taxes (e.g., farm, forest,  
 427 tax abatement or other) in a way that may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is  
 428 current as to income or other conditions required to preserve its deferred/abated tax status. If, as a result of Buyer's actions or the Closing of this  
 429 transaction, the Property either is disqualified from special use assessment or loses its deferred/abated property tax status, unless otherwise specifically  
 430 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 levied

Buyer Initials <sup>DS</sup> MAB / Date 9/5/2018 5:10:12 PM PDT

Seller Initials FS, BS Date 09-07-2018 8:12 AM PDT

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431 against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the Property either is  
432 disqualified from its entitlement to special use assessment or loses its deferred/abated property tax status, Buyer may, at Buyer's sole option, promptly  
433 terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and hold Seller  
434 responsible to pay into Escrow all deferred and/or additional taxes and interest which may be levied or recaptured against the Property and hold Buyer  
435 completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or damages arising from a breach of  
436 this Section 30.1.

437 **30.2 HISTORIC PROPERTY DESIGNATION:** If the Property is or may be subject to a historic Property local ordinance or is subject to or may qualify for the  
438 Historic Property Special Property Tax Assessment under ORS 358.475 to 358.565, Seller shall provide **OREF 045 Historic Property Addendum**.

**DISPUTE RESOLUTION**

439 **DISPUTE RESOLUTION: Any dispute between Buyer and Seller relating to the interpretation or enforcement of this Agreement**  
440 **(check one)  shall  shall not, be subject to the mediation and arbitration provisions of Sections 31 – 32.4. Failure to check a box shall**  
441 **constitute an election NOT to arbitrate.**  
442

443 **31. FILING OF CLAIMS:** All claims, controversies and disputes between Seller, Buyer, Agents, and/or Firms, relating to the enforcement or  
444 interpretation of this Sale Agreement (including those for rescission), as well as those relating to the validity or scope of the Sale Agreement, and all  
445 matters concerning the jurisdiction of the arbitrator(s) and/or Arbitration Service of Portland, to hear and decide questions of arbitrability (hereinafter  
446 collectively referred to as "Claims"), shall be exclusively resolved in accordance with the procedures set forth herein, which shall survive Closing or  
447 earlier termination of this transaction. All Claims shall be governed exclusively by Oregon law, and venue shall be placed in the county where the  
448 real property is situated. Filing a Claim for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of  
449 limitation or statute of ultimate repose, and for purposes of filing a *lis pendens*. BY CONSENTING TO THE PROVISIONS HEREIN, BUYER AND SELLER  
450 ACKNOWLEDGE THAT THEY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE CLAIMS TRIED BY A JUDGE OR JURY IN STATE OR FEDERAL COURT,  
451 INCLUDING ALL ISSUES RELATING TO THE ARBITRABILITY OF SAID CLAIMS.

452 **32.1 EXCLUSIONS:** The following shall not constitute Claims: (1) Any proceeding to enforce or interpret a mortgage, trust deed, land sale contract  
453 or recorded construction lien; (2) A forcible entry and detainer action (eviction); (3) If the matter is exclusively between REALTORS® and is  
454 otherwise required to be resolved under the Professional Standards Ethics and Arbitration provisions of the National Association of REALTORS®;  
455 (4) If the matter relates to a commission or fee with an Agent or Firm, and the written listing, service or fee agreement with Buyer or Seller contains a  
456 mandatory mediation and/or arbitration provision; and (5) Filing in court for the issuance of provisional process described under the Oregon Rules of  
457 Civil Procedure, provided, however, such filing shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures described  
458 herein for the adjudication of any Claims.

459 **32.2 SMALL CLAIMS BETWEEN BUYER AND SELLER:** All Claims between Buyer and Seller that are within the jurisdiction of the Small Claims  
460 Court of the county in which the property is located, shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other  
461 forum. Notwithstanding ORS 46.455(3), neither Buyer nor Seller shall have a right to request a jury trial and so remove the matter from the Small  
462 Claims Department of the Circuit Court. A judgment in Small Claims Court is final and binding and there is no right of appeal.

463 **32.3 MEDIATION AND ARBITRATION BETWEEN BUYER AND SELLER:** If Buyer's and/or Seller's Agent is a member of the National  
464 Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute  
465 Resolution System of the National Association of REALTORS® ("the System"). If an Agent is not a member of the National Association of  
466 REALTORS®, or the System is not available through the Agent's Realtor® organization, then all Claims shall be submitted to mediation through the  
467 program administered by Arbitration Service of Portland ("ASP"). All Claims that have not been resolved by mediation as described herein shall be  
468 submitted to final and binding arbitration in accordance the then-existing rules of ASP. The prevailing party in any arbitration between Buyer and  
469 Seller shall be entitled to recovery of all reasonable attorney fees, filing fees, costs, disbursements, and mediator and arbitrator fees. Provided,  
470 however, a prevailing party shall not be entitled to any award of attorney fees unless it is first established to the satisfaction of the arbitrator(s) (or  
471 judge, if applicable) that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing for  
472 arbitration.

473 **32.4. MEDIATION AND ARBITRATION INVOLVING AGENTS/FIRMS:** All Claims that include Agents or their Firms shall be resolved in accordance  
474 with the mediation and arbitration process described in Section 32.2 above, and if applicable, the prevailing party shall be entitled to an award of  
475 attorney fees, filing fees, cost, disbursements, and mediator and arbitrator fees, as provided therein.

**SIGNATURE INSTRUCTIONS**

476  
477 **33. OFFER TO PURCHASE:** Buyer offers to purchase the Property upon the terms and conditions set forth in this Agreement. Buyer  
478 acknowledges receipt of a completely filled-in copy of this Agreement, which Buyer has fully read and understands. Buyer acknowledges that  
479 Buyer has not relied upon any oral or written statements made by Seller or any Agents that are not expressly contained in this Agreement. Neither

DS  
Buyer Initials MLB / \_\_\_\_\_ Date 9/5/2018 5:10:12 PM PDT

Seller Initials BS / BS Date 09-07-2018 8:12 AM PDT

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480 Seller nor any Agent(s) warrant the square footage of any structure of the size of any land being purchased. If square footage or land size
481 is a material consideration, all structures and land should be measured by Buyer prior to signing, or should be made an express
482 contingency in this Agreement.

483 Deed or contract shall be prepared in the name of To be determined via Addendum by 10/01/2018.

484 Co-Ownership Note: Buyer should secure advice from an expert or attorney regarding different forms of co-ownership and rights of survivorship.
485 Agents are not qualified to provide advice on these issues. Once the form of co-ownership is determined, Buyer should promptly notify Escrow.

486 This offer shall automatically expire on (insert date) September 07, 2018 at 5:00 p.m., (the "Offer Deadline"), if not
487 accepted by that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's transmission of signed acceptance. This
488 offer may be accepted by Seller only in writing.

489 Buyer Michael A Black Date 9/5/2018 5:10:12 PM PDT
City of Ashland

490 Buyer \_\_\_\_\_ Date \_\_\_\_\_ a.m. p.m. ←

491 Address \_\_\_\_\_ Ashland OR Zip 97520

492 Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

493 This offer was delivered/transmitted to Seller for signature on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ a.m. p.m.

494 By \_\_\_\_\_ (Agent(s) presenting offer).

495 34. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY: Seller accepts Buyer's offer. Seller acknowledges
496 receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges that Seller has not
497 relied upon any oral or written statements of Buyer or of any Agent(s) that are not expressly contained in this Agreement.

499 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. p.m. ←
Fain Shaffer

500 Seller \_\_\_\_\_ Date \_\_\_\_\_ a.m. p.m. ←
Bonnie Shaffer

501 Address \_\_\_\_\_ Zip \_\_\_\_\_

502 Phone Home \_\_\_\_\_ Work \_\_\_\_\_ E-mail \_\_\_\_\_ Fax \_\_\_\_\_

503 Note: If delivery/transmission occurs after the Offer Deadline identified at Offer to Purchase Section, above, it will not become binding
504 upon Seller and Buyer unless the parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by
505 the parties. The parties' failure to do so shall be treated as a rejection under Seller's Rejection Section, below, and this transaction shall
506 be automatically terminated.

507 35. SELLER'S REJECTION/COUNTER OFFER (select only one): [X] Seller does not accept the above offer, but makes the attached counter offer.
508 [ ] Seller rejects Buyer's offer.

509 Seller Fain Shaffer Date 09-07-2018 8:12 AM PDT \_\_\_\_\_ a.m. p.m. ←
Fain Shaffer

510 Seller Bonnie Shaffer Date 09-06-2018 5:05 PM PDT \_\_\_\_\_ a.m. p.m. ←
Bonnie Shaffer

511 Address \_\_\_\_\_ Zip \_\_\_\_\_

512 Phone Home \_\_\_\_\_ Work \_\_\_\_\_ E-mail \_\_\_\_\_ Fax \_\_\_\_\_

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

Buyer Initials MAB Date 9/5/2018 5:10:12 PM PDT

Seller Initials FS, BS Date 09-07-2018

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Sale Agreement # 09052018-EP/EH  
Addendum # A

### 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 Buyer: City of Ashland  
3 Seller: Fain Shaffer, Bonnie Shaffer

4 The real property described as: 0 E Main Street , Ashland, OR 97520  
5 **SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED ABOVE.**  
6 **Earnest Money described in line 41 shall be fully refunded if this property does not Close according to the Sale Agreement.**

8 **2) This sale is subject to the Buyer executing sale of City of Ashland owned property located on Clay Street, Ashland, OR 97520; Map / Tax Lot : 391E11C/2504.**

11 **3) Closing date listed on line #350 of the Sale Agreement shall be extended by the Addendum "B" terms; if needed.**

29 Buyer Signature *Michael A Black* Date 9/5/2018 5:10:12 PM PDT a.m. p.m. ←  
*City of Ashland*  
1E08455A718D41D...

30 Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_ a.m. p.m. ←

31 Seller Signature *Fain Shaffer* Date 09-07-2018 8:12 AM PDT a.m. p.m. ←  
**Fain Shaffer**

32 Seller Signature *Bonnie Shaffer* Date 09-06-2018 5:05 PM PDT a.m. p.m. ←  
**Bonnie Shaffer**

33 Buyer's Agent Eric Poole / Eric Herron Seller's Agent Noriko Hansen

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**OREF 002**

# ASHLAND PARKS & RECREATION COMMISSION

340 S PIONEER STREET • ASHLAND, OREGON 97520

COMMISSIONERS:

- Mike Gardiner
- Joel Heller
- Rick Landt
- Jim Lewis
- Matt Miller

Michael A. Black, AICP  
Director

541.488.5340  
AshlandParksandRec.org  
parksinfo@ashland.or.us

Addendum "B"



FS 09-07-2018 8:12 AM PDT

BS 09-06-2018 5:05 PM PDT

August 22, 2018

DS  
MAB

9/5/2018 5:10:12 PM PDT

Noriko Hansen  
Windermere Van Vleet and Associates  
375 Lithia Way  
Ashland, OR 97520

Dear Noriko,

This is a letter between City of Ashland ("Buyer") and Fain and Bonnie Shaffer ("Seller") to purchase the property, 5.52 acres on East Main Street, Jackson County, Ashland, OR 97520; map/tax lot – 391E11CB/200. ("Property") Upon review and acceptance of this letter, Buyer will prepare a Purchase and Sale Agreement ("PSA" or "Agreement") reflecting the terms herein which shall be executed by both parties after an acceptable agreement is reached by both Seller and Buyer.

**Property Description:**

Property including, but not limited to: all buildings, improvements, water rights, fixtures, all rights privileges, and appurtenances pertaining to the Property, including Seller's right, title and interest in any minerals, utilities and right-of-way.

**Seller:**

Fain and Bonnie Shaffer

**Buyer:**

Ashland Parks and Recreation Commission/City of Ashland

**Purchase Price:**

One Million Seven Hundred Eighty Thousand Dollars (\$1,780,000.00). Seller shall donate (\$780,000.00) of the appraised value of the Property to the City of Ashland or a Buyer approved nonprofit organization to be determined prior to closing. Buyer will pay a Total of (\$1,000,000.00) for the Property at closing.

**Earnest Money:**

Buyer shall deposit a refundable Five Thousand Dollars (\$5,000.00) earnest money deposit with First American Title Company within three (3) business days upon execution of the PSA. The deposit will be refunded to Buyer if the purchase does not close in accordance with terms of the Purchase and Sales Agreement. In the event the purchase does close, earnest money deposit along with any additional earnest money provided will be credited to the purchase price at closing. In the event the Buyer defaults pursuant to the terms of the Purchase Agreement, Seller shall retain the deposit.

DS

FS

BS

Home of Famous Lithia Park

Addendum "B"

**Financing Period:**

Buyer will provide all CASH at Closing. Buyer will use a portion of the proceeds from sale of Clay Street transaction to purchase this property, please refer to Financing Contingency for more information. Financing Period shall be 45 days after execution of PSA.

**Financing Contingency:**

This sale is subject to the Buyer executing sale of City of Ashland owned property located on Clay Street, Ashland, OR 97520; Map / Tax Lot : 391E11C 2504.

**Due Diligence Period:**

(a) The Agreement will call for Seller to provide Buyer with copies of the following items, including but not limited to lease agreements, service contracts, management contracts, maintenance records, copies of all utility and maintenance invoices for the last 24 months, copies of all environmental assessments, environmental studies, all communication with City of Ashland Planning Department, any other binding agreements or contracts, and documents relating to the Property to the extent in Seller's possession or control (the "Property Information") as depicted in Exhibit A. All Property Information should be delivered via email to Buyer or Buyer's representatives within (10) business days of PSA execution.

(b) Buyer will have a due diligence period of thirty (30) business days (the "Due Diligence Period to become satisfied in all respects with its review of those items, including the physical condition of the Property."), The Due Diligence Period commences on the later to occur of mutual execution of the PSA or Buyer's receipt of the Property Information requested in Exhibit A. If Buyer is not satisfied with the Property in its sole discretion, it may elect, on or before the expiration of the Due Diligence Period, to terminate the Agreement and recover its earnest money.

(c) Prior to execution of the Agreement, Seller shall notify Buyer prior to entering into any leases or contracts for the Business or any amendments thereto. After execution of the Agreement, Seller shall not enter into any leases or contracts for the Property or any amendments thereto, without Buyer's prior written consent. Seller shall terminate any service contracts and purchase agreements at Closing which Buyer does not elect to assume, and Seller shall indemnify Buyer for any loss incurred thereunder.

FS 09-07-2018 8:12 AM PDT

BS 09-06-2018 5:05 PM PDT

DS  
MAB

9/5/2018 5:10:12 PM PDT

**CLOSING:**

Closing of the transaction contemplated by this letter of intent shall take place ten (10) business days after the expiration of the longest due diligence and within 10 business days of Buyer's closing on Clay Street property described in the Financing Contingency described above, or such earlier time after the execution of the Agreement as Buyer may designate upon not less than ten (10) days' prior written notice to Seller. At the closing, ownership of the Property will be conveyed by Seller pursuant to the Sales Agreement. Seller shall pay all income taxes, property taxes, recording fees and similar costs in connection with the transfer of the Property to Buyer. Each party shall pay one-half of any escrow and closing fees.

**COSTS:**

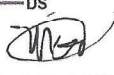
Buyer and Seller shall each be responsible for their own legal and accounting costs associated with the transaction.

**POSSESSION:**

Seller will deliver possession of the Property to the Buyer at closing.

**CONFIDENTIALITY:**

Both Seller and Buyer agree that this letter of intent and its terms will be kept confidential.

DS  


FS

BS



DS  
MAB

FS 09-07-2018 8:12 AM PDT

Addendum "B"

BS 09-06-2018 5:05 PM PDT

9/5/2018 5:10:12 PM PDT

**WARRANTY OF AUTHORITY:**

All persons signing represent that they have the authority to enter into the Agreement.

**LEGAL EFFECT:**

Buyer and Seller each acknowledge that a transaction of this type involves terms and conditions which have not yet been agreed upon and that this letter is in no way intended to be a complete or definitive statement of all the terms and conditions of the proposed transaction, but contemplates and is subject to the negotiation and execution of the Purchase and Sale Agreement.

This Letter Of Intent (LOI) shall automatically expire on (8/23/18) at 5:00 p.m., (the "LOI Deadline") if not accepted by that time. Buyer may withdraw this offer before the LOI Deadline any time prior to Seller's transmission of signed acceptance. This offer may be accepted by Seller only in writing.

**BUYER**

DocuSigned by:  
By: MAGARDINE Date: 8/22/2018 4:24:19 PM PDT  
09EF806855F745B...  
Chair - Ashland Parks & Recreation Commission  
Title: \_\_\_\_\_

**SELLER**

Agreed and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

By: Fair Shaffer 08-23-2018 12:35 PM PDT  
Title: Seller

By: Bonnie Shaffer 08-22-2018 7:33 PM PDT  
Title: Seller

DS  
MAB

Addendum "B"

FS 09-07-2018 8:12 AM PDT

9/5/2018 5:10:12 PM PDT

Exhibit A

BS 09-06-2018 5:05 PM PDT

- 1) Copy of lease(s). *None*
- 2) Service contracts. *None*
- 3) Management contracts. *None*
- 4) Utility and maintenance invoices for the past 24 months. *TID Invoices*
- 5) Environmental assessments and studies. *None*
- 6) Communications with City of Ashland Planning Department. *None*
- 7) Current binding agreements or contracts on the Property. *None*
- 8) Documents relating to the Property to the extent in Seller's possession or control.

*Offsite wetland Determination Report by Oregon Department of State of Land*

DS  
*[Signature]*

FS 08-23-2018

BS 08-22-2018



## VACANT LAND DISCLOSURE ADDENDUM

Property Address **0 E Main Street , Ashland, OR 97520**

### INSTRUCTIONS TO THE SELLER

1 **THIS IS A VACANT LAND DISCLOSURE ADDENDUM (“DISCLOSURE ADDENDUM”) MADE BY THE SELLER CONCERNING THE**  
 2 **PROPERTY LOCATED AT** 0 E Main Street , Ashland, OR 97520 **(THE “PROPERTY”). THIS IS NOT**  
 3 **A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT OF THE SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR**  
 4 **WARRANTIES THAT THE BUYER MAY WISH TO OBTAIN.**

5 Please complete the following form. Answer all the questions. If a question is not applicable to this Property, mark N/A. Please explain each “YES”  
 6 answer in detail at Section VI below or on a separate page and **attach pertinent documents and information**. Please refer to the section and item  
 7 of the question(s) when you provide your explanation(s). Please date and sign each page of this Disclosure Addendum and each attachment.  
 8 SELLER(S) AUTHORIZE(S) ALL AGENTS TO PROVIDE A COPY OF THIS VACANT LAND DISCLOSURE ADDENDUM TO OTHER REAL  
 9 ESTATE AGENTS AND PROSPECTIVE BUYERS OF THE PROPERTY.

### NOTICE TO BUYER

- 10 A. Buyers have a duty to pay diligent attention to any material defects in or about the Property that are known to them or can become known  
 11 by utilizing diligent attention and observation, and by employing competent experts. Your real estate agent is not responsible to conduct  
 12 your due diligence, and may not render advice about property conditions or legal issues.
- 13 B. The disclosures set forth in this Disclosure Addendum and in any amendments thereto, are made only by the Seller and are not the  
 14 representations of any financial institution that may have made or may make a loan pertaining to the Property, or that may have or take a  
 15 security interest in the Property, or of any real estate agent engaged by the Seller or Buyer. A financial institution or real estate agent is not  
 16 bound by and has no liability with respect to any representation, misrepresentation, omission, error or inaccuracy contained in another  
 17 party's disclosure statement or any amendments thereto.

YES	NO	UNKNOWN	N/A	I. TITLE
-----	----	---------	-----	----------

- |    |                          |                          |                          |                          |  |
|----|--------------------------|--------------------------|--------------------------|--------------------------|--|
| 18 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A.1 Is this Property a legal lot of record?  |
| 19 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A.2 Is this Property subject to any of the following? <input type="checkbox"/> first right of refusal <input type="checkbox"/> option <input type="checkbox"/> lease or rental agreement <input type="checkbox"/> other listing <input type="checkbox"/> life estate <input type="checkbox"/> Timber Contracts |
| 20 |                          |                          |                          |                          |  |
| 21 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | B. Are there any of the following? <input type="checkbox"/> encroachments <input type="checkbox"/> written or oral boundary or fencing agreements <input type="checkbox"/> boundary disputes <input type="checkbox"/> recent boundary changes.   |
| 22 |                          |                          |                          |                          |  |
| 23 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | C. Are there any of the following? <input type="checkbox"/> rights of way <input type="checkbox"/> easements (other than normal utility easements) <input type="checkbox"/> access limitations <input type="checkbox"/> written or oral agreements concerning the use or access to/from this property          |
| 24 |                          |                          |                          |                          |  |
| 25 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | D. Is there a <input type="checkbox"/> written or <input type="checkbox"/> oral agreement for joint maintenance of an easement?  |
| 26 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | E. Any sale, transfer or reservation of development, water or drainage rights?   |
| 27 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | F. Any sale, transfer or reservation of oil, gas, mineral rights, or timber rights?  |
| 28 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | G. Are you aware of any governmental study, survey, or notice that would affect this Property?   |
| 29 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | H. Are there any pending or existing assessments against this Property (other than real property taxes not yet due for the current year)?  |
| 30 |                          |                          |                          |                          |  |
| 31 |                          |                          |                          |                          | I. What is the current zoning for the Property? _____  |
| 32 |                          |                          |                          |                          | J. What is the current use of the Property? _____  |
| 33 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | K. Are you aware of any pending land use changes?  |

Buyer Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

Seller Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

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### VACANT LAND DISCLOSURE ADDENDUM

Property Address **0 E Main Street , Ashland, OR 97520**

- 66     3. Is (are) the well(s) shared?
- 67     a. Is there an oral or written agreement for a shared well?
- 68     b. Is there an easement (recorded or unrecorded) for access to and maintenance of a shared well?
- 69     4. Is a copy of the well log(s) available?
- 70     5. Well depth(s) is estimated to be \_\_\_\_\_ feet
- 71     6. Well(s) supply approximately \_\_\_\_\_ gallons per minute (GPM) of water.
- 72     a. This figure is taken from  well log  a flow test of the well performed when \_\_\_\_\_
- 73     and by whom \_\_\_\_\_
- 74     7. Is there a holding tank in addition to the pressure tank for the water system?
- 75     a. If "yes", what is the capacity of the tank? \_\_\_\_\_ gallons.
- 76     8. Well is \_\_\_\_\_ years old. Pump type:  submersible  jet. Pump make \_\_\_\_\_
- 77     Installed by \_\_\_\_\_ date \_\_\_\_\_
- 78     Serviced by \_\_\_\_\_ date of last service \_\_\_\_\_
- 79     9. Are there any known problems with the water system?
- 80     10. Have there been any repairs to the water system?
- 81     11. Has a  coliform bacteria  nitrates  arsenic or  other water quality test been performed on
- 82     domestic water supply? If "yes", when \_\_\_\_\_ by whom \_\_\_\_\_
- 83     C. Is there a water treatment system? If "yes",  owned or  leased?
- 84     1. If "yes", for what purpose was the water treatment system installed? \_\_\_\_\_
- 85     2. Is the water treatment system in good working order? (If No, attach explanation).
- 86     D. Are there any abandoned wells on the Property?
- 87     E. Do you have other pertinent information regarding the water supply? If "yes", please attach an explanation.
- 88     F. Are there any irrigation wells? If "yes", how many? \_\_\_\_\_.
- 89     G. Are there water appropriation rights for this Property?
- 90     1. Have the water rights been certified by the State of Oregon?
- 91     2. To what body of water do the water rights pertain? \_\_\_\_\_
- 92     3. Have the water rights been used beneficially during the last five years?
- 93     H. Are any man-made ponds or bodies of water on this Property?
- 94     1. If "yes", is there a permit?

**BUYER SHOULD HAVE ANY NONPUBLIC WATER SOURCES TESTED FOR POTABILITY AND ADEQUACY OF SUPPLY.**

**YES NO UNKNOWN N/A IV. SEWAGE**

- 96     A. Is sanitary sewer currently available to this Property?
- 97     1. If "yes", where is the sewer line located? \_\_\_\_\_
- 98     2. If "no", will such service be available in the future? \_\_\_\_\_

Buyer Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

Seller Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

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### VACANT LAND DISCLOSURE ADDENDUM

Property Address **0 E Main Street , Ashland, OR 97520**

- 99     B. Are you aware of any sanitary sewer proposed for this Property?
- 100     C. Is there a septic system on this Property?
  - 101 1. If "yes", what type of system?  standard  cap fill  sand filtration  other \_\_\_\_\_
  - 102 2. Last inspected by \_\_\_\_\_ date \_\_\_\_\_
  - 103 *Please attach copies of the inspection report and invoice*
  - 104 3. Date septic system was last pumped \_\_\_\_\_ by whom \_\_\_\_\_
  - 105     4. Any known problems or repairs? If "yes", please explain on attached sheet.
  - 106     D. If a septic system will need to be installed, is there a current governmental approval for such a system?
    - 107 1. If "yes", what type of system?  standard  cap fill  sand filtration  other \_\_\_\_\_
    - 108 Date of approval \_\_\_\_\_
  - 109     E. Is there an abandoned septic system on the Property? If "yes", where is it located? \_\_\_\_\_

#### BUYER MAY WISH TO HAVE THE SEWAGE SYSTEM INSPECTED

#### YES NO UNKNOWN N/A V. DEED RESTRICTIONS, ASSOCIATIONS, COMMON FACILITIES, ETC

- 111     A. Are there CC&Rs?
- 112     B. Is there a Home or Unit Owners' Association?
  - 113 1. If "yes" Who is the contact person? \_\_\_\_\_
  - 114 contact information: \_\_\_\_\_
  - 115 2. Monthly or annual dues \_\_\_\_\_ Assessments \_\_\_\_\_
- 116     C. Is this Property in an area with a neighborhood group or community organization?
  - 117 1. If "yes", contact information \_\_\_\_\_
  - 118 \_\_\_\_\_
- 119     D. Are there any features of this Property shared in common with adjoining landowners, such as a wall, fence, roof, road, or driveway for which use or maintenance responsibility may affect this Property?
- 120
- 121     E. Are there any known disputes, irregularities, or other unsettled issues?
- 122     F. Are there any "common areas" (facilities such as a pool, recreation building, tennis court, walkway, etc.)?

#### YES NO UNKNOWN N/A VI. OTHER CONDITIONS OR DEFECTS

- 123     A. Are you aware of any other condition, defect, feature, problem, material fact, or issue in its immediate vicinity, affecting the buyer's use and/or enjoyment of this Property?
- 124

#### VII. DOCUMENTS AND EXPLANATIONS

125 Please list any attached documents, reports, explanations of "Yes" answers, or those questions indicating an explanation

126 here:

127 \_\_\_\_\_

128 \_\_\_\_\_

129 \_\_\_\_\_

130 \_\_\_\_\_

131 \_\_\_\_\_

132 \_\_\_\_\_

133 \_\_\_\_\_ [Attach Addendum if necessary.]

Buyer Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

Seller Initials \_\_\_\_\_ / \_\_\_\_\_ Date \_\_\_\_\_

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### VACANT LAND DISCLOSURE ADDENDUM

Property Address **0 E Main Street , Ashland, OR 97520**

134 SELLER REPRESENTS TO BUYER THAT THE FOREGOING ANSWERS IN THIS VACANT LAND DISCLOSURE ADDENDUM, TOGETHER  
135 WITH ALL INCLUDED DOCUMENTS AND INFORMATION, IF ANY, ARE COMPLETE AND CORRECT TO THE BEST OF SELLER'S ACTUAL  
136 KNOWLEDGE, WITHOUT FURTHER INVESTIGATION OR TESTING.

137 Seller's Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_\_ p.m. ←  
**Fain Shaffer**

138 Seller's Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_\_ p.m. ←  
**Bonnie Shaffer**

139 UNLESS PREVIOUSLY WAIVED BY BUYER IN WRITING,SELLER SHALL DELIVER A COPY OF THE COMPLETED VACANT LAND DISCLOSURE ADDENDUM TO ANY  
140 BUYER MAKING A WRITTEN OFFER TO PURCHASE THE PROPERTY. BUYER SHALL HAVE THE ABSOLUTE RIGHT TO REVOKE THEIR OFFER, FOR ANY REASON  
141 OR NO REASON, BY GIVING WRITTEN NOTICE TO SELLER WITHIN FIVE (5) BUSINESS DAYS FOLLOWING THE DATE OF SELLER'S DELIVERY OF THE DISCLOSURE  
142 ADDENDUM TO BUYER (THE "REVOCAION PERIOD"). UNLESS PREVIOUSLY WAIVED IN WRITING, IF BUYER'S RIGHT OF REVOCAION IS NOT TIMELY  
143 EXERCISED IN WRITING BY MIDNIGHT AT THE END OF THE LAST DAY OF THE REVOCAION PERIOD, IT SHALL AUTOMATICALLY EXPIRE. IN ALL EVENTS, SAID  
144 RIGHT OF REVOCAION SHALL EXPIRE UPON CLOSING OF THE TRANSACTION.

#### ACKNOWLEDGMENT

146 THE UNDERSIGNED HEREBY ACKNOWLEDGE THE DUTY TO SIGN, DATE AND RETURN A COPY OF THIS PAGE OF THE ADDENDUM TO  
147 SELLER OR SELLER'S AGENT PROMPTLY UPON RECEIPT FROM SELLER OR SELLER'S AGENT. A BAD FAITH REFUSAL TO DO SO  
148 COULD JEOPARDIZE BUYER'S ABILITY TO EFFECTIVELY EXERCISE THEIR RIGHT OF REVOCAION.

149 Buyer's Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_\_ p.m. ←  
**City of Ashland**

150 Buyer's Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_\_ p.m. ←

151 Buyer's Agent Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_\_ p.m. ←  
**Eric Poole / Eric Herron**

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BUYER'S COUNTER OFFER No. 1

1 This is a counter offer to Seller's Counter Offer.  
 2 Buyer: City of Ashland  
 3 Seller: Fain Shaffer, Bonnie Shaffer  
 4 The real property described as: 0 E Main Street , Ashland, OR 97520

5 AGREEMENT TO PURCHASE:

6 Buyer agrees to purchase the real and personal property upon the terms and conditions set forth in the Sale Agreement and subsequent counter offers where  
7 applicable except as modified as follows: or before FSBS

8 1. Close of escrow of this transaction shall be on 11/15/18. FSBS

9  
10 2. Buyer shall reimburse the Seller not to exceed \$1,250.00 for an appraisal of the property at Closing. If this transaction does not close  
11 according to the terms of this Agreement at the fault or decision of the Buyer; the Buyer shall reimburse the Seller not to exceed  
12 \$1,250.00 for an appraisal of the property.

13  
14  
15  
16  
17  
18  
19  
20 For additional provisions, see Addendum \_\_\_\_\_

21 All remaining terms and conditions of the Sale Agreement (and other counter offer(s), where applicable), not otherwise modified, are approved  
22 and accepted by Buyer. Time is of the essence. This Buyer's Counter Offer shall automatically expire on September 13, 2018 at 5:00  a.m.  
23  p.m. ("the Counter Offer Deadline"), if not accepted within that time. This Buyer's Counter Offer may be accepted by Seller only in writing.  
24 However, Buyer may withdraw this Buyer's Counter Offer any time prior to Seller's written acceptance.

25 Buyer Signature Michael A. Black Date 9/11/2018 5:45:09 PM PDT a.m. \_\_\_ p.m. ←  
City of Ashland  
 1E08455A718D41D...  
 26 Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_ a.m. \_\_\_ p.m. ←

27 SELLER'S RESPONSE (select only one):

- 28  Seller accepts Buyer's Counter Offer.
- 29  Seller does not accept Buyer's Counter Offer AND submits the attached Seller's Counter Offer.
- 30  Seller rejects Buyer's Counter Offer.

31 Seller acknowledges receipt of signed copies of the Sale Agreement and all subsequent counter offers, including this Buyer's Counter Offer, which  
32 Seller has read and fully understands. Seller instructs that all earnest money distributable to Seller pursuant to the Sale Agreement shall be  
33 disbursed as follows after deduction of any title insurance and Escrow cancellation charges: (check one)

34  First to Seller's Agent's Firm, to the extent of the agreed commission just as if the transaction had been consummated, with residue to Seller; or  
35  \_\_\_\_\_

36 Seller Signature Fain Shaffer Date 09-13-2018 7:16 AM PDT a.m. \_\_\_ p.m. ←  
Fain Shaffer  
 37 Seller Signature Bonnie Shaffer Date 09-12-2018 12:30 PM PDT a.m. \_\_\_ p.m. ←  
Bonnie Shaffer

38 Note: If delivery/transmission occurs after the Counter Offer Deadline identified above, it will not become binding upon Seller and  
39 Buyer unless the parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by the  
40 parties. The parties' failure to do so shall be treated as a rejection under Seller's Response, above, in the Sale Agreement and this  
41 transaction shall be automatically terminated.

42 Seller's Agent Noriko Hansen Buyer's Agent Eric Poole / Eric Herron

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LINES WITH THIS ← SYMBOL REQUIRE A SIGNATURE AND DATE  
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DigSign Verified: 7A9B1DB2-992A-4D38-88AA-3C6910A7D5BA



**SELLER'S COUNTER OFFER No. 1**

1 This is a counter offer to  Sale Agreement or  Buyer's Counter Offer  
 2 Seller: Fain Shaffer, Bonnie Shaffer  
 3 Buyer: \_\_\_\_\_  
 4 The real property described as: E Main St , Ashland , OR 97520

5 **AGREEMENT TO SELL:** Seller agrees to sell the real and personal property upon the terms and conditions set forth in the Sale Agreement and  
 6 subsequent counter offers where applicable, **except** as modified as follows: 1. Buyer to expect the closing of the contingent property sale  
 7 on/before 10/10/2018. 2. Close of escrow of this transaction remains on/before 10/17/2018.  
 8 \_\_\_\_\_  
 9 \_\_\_\_\_  
 10 \_\_\_\_\_  
 11 \_\_\_\_\_  
 12 \_\_\_\_\_  
 13 \_\_\_\_\_  
 14 \_\_\_\_\_  
 15 \_\_\_\_\_  
 16 \_\_\_\_\_  
 17 \_\_\_\_\_

18 For additional provisions, see Addendum \_\_\_\_\_

19 **All remaining terms and conditions of the Sale Agreement (and other counter offer(s), where applicable), not otherwise modified, are**  
 20 **approved and accepted by Seller. Time is of the essence.** This Seller's Counter Offer shall automatically expire on September 14, 2018 at  
 21 5  a.m.  p.m. ("the Counter Offer Deadline"), if not accepted within that time This Seller's Counter Offer may be accepted by Buyer only in  
 22 writing. However, Seller may withdraw this counter offer any time prior to Buyer's written acceptance.

23 Seller acknowledges receipt of a completely filled in copy of Buyer's Offer and Seller's Counter Offer, and all subsequent counter offers  
 24 where applicable, which Seller has fully read and understands. Seller acknowledges that Seller has not relied on any oral or written  
 25 statements of any Buyer or of any Agent(s) that are not expressly contained in the Sale Agreement as amended. Seller instructs that all  
 26 earnest money distributable to Seller pursuant to the Sale Agreement shall be disbursed as follows after deduction of any title insurance  
 27 and Escrow cancellation charges: (*check one*)  First to Seller's Agent's Firm, to the extent of the agreed commission just as if the  
 28 transaction had been consummated, with residue to Seller; or  100% to Seller  
 29 \_\_\_\_\_

30 Seller Signature Fain Shaffer Date 09-07-2018 4:38 PM PDT \_\_\_\_\_ a.m. \_\_\_ p.m. ←  
 Fain Shaffer  
 31 Seller Signature Bonnie Shaffer Date 09-07-2018 4:39 PM PDT \_\_\_\_\_ a.m. \_\_\_ p.m. ←  
 Bonnie Shaffer

32 **BUYER'S RESPONSE (select only one):**  
 33  Buyer accepts Seller's Counter Offer.  
 34  Buyer does not accept Seller's Counter Offer AND submits the attached Buyer's Counter Offer.  
 35  Buyer rejects Seller's Counter Offer.

36 Buyer acknowledges receipt of signed copies of the Sale Agreement and all subsequent counter offers including this Seller's Counter  
 37 Offer, where applicable, which Buyer has fully read and understands.

38 Buyer Signature Michael A Black Date 9/11/2018 5:45:09 PM PDT \_\_\_\_\_ a.m. \_\_\_ p.m. ←  
 1E08455A718D41D...  
 39 Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_, \_\_\_\_\_ a.m. \_\_\_ p.m. ←

40 **Note: If delivery/transmission occurs after the Counter Offer Deadline identified above, it will not become binding upon Seller and**  
 41 **Buyer unless the parties agree to extend said Deadline by an Addendum, Counteroffer, or other writing, jointly signed by the**  
 42 **parties. The parties' failure to do so shall be treated as a rejection under Buyers Response, above, and this transaction shall be**  
 43 **automatically terminated.**

44 Seller's Agent Noriko Hansen Buyer's Agent Eric Poole/Eric Herron

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DigSign Verified: 7A9B1DB2-992A-4D38-88AA-3C6910A7D5BA





### VACANT LAND DISCLOSURE ADDENDUM

Property Address E Main St , Ashland , OR 97520

#### INSTRUCTIONS TO THE SELLER

1 THIS IS A VACANT LAND DISCLOSURE ADDENDUM ("DISCLOSURE ADDENDUM") MADE BY THE SELLER CONCERNING THE  
2 PROPERTY LOCATED AT E Main St, Ashland, OR 97520 (THE "PROPERTY"). THIS IS NOT  
3 A WARRANTY OF ANY KIND BY THE SELLER OR ANY AGENT OF THE SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR  
4 WARRANTIES THAT THE BUYER MAY WISH TO OBTAIN.

5 Please complete the following form. Answer all the questions. If a question is not applicable to this Property, mark N/A. Please explain each "YES"  
6 answer in detail at Section VI below or on a separate page and attach pertinent documents and information. Please refer to the section and item  
7 of the question(s) when you provide your explanation(s). Please date and sign each page of this Disclosure Addendum and each attachment.  
8 SELLER(S) AUTHORIZE(S) ALL AGENTS TO PROVIDE A COPY OF THIS VACANT LAND DISCLOSURE ADDENDUM TO OTHER REAL  
9 ESTATE AGENTS AND PROSPECTIVE BUYERS OF THE PROPERTY.

#### NOTICE TO BUYER

- 10 A. Buyers have a duty to pay diligent attention to any material defects in or about the Property that are known to them or can become known  
11 by utilizing diligent attention and observation, and by employing competent experts. Your real estate agent is not responsible to conduct  
12 your due diligence, and may not render advice about property conditions or legal issues.
- 13 B. The disclosures set forth in this Disclosure Addendum and in any amendments thereto, are made only by the Seller and are not the  
14 representations of any financial institution that may have made or may make a loan pertaining to the Property, or that may have or take a  
15 security interest in the Property, or of any real estate agent engaged by the Seller or Buyer. A financial institution or real estate agent is not  
16 bound by and has no liability with respect to any representation, misrepresentation, omission, error or inaccuracy contained in another  
17 party's disclosure statement or any amendments thereto.

YES NO UNKNOWN N/A

#### I. TITLE

- 18     A.1 Is this Property a legal lot of record?
- 19     A.2 Is this Property subject to any of the following?  first right of refusal  option  lease or rental  
20 agreement  other listing  life estate  Timber Contracts
- 21     B. Are there any of the following?  encroachments  written or oral boundary or fencing agreements  
22  boundary disputes  recent boundary changes.
- 23     C. Are there any of the following?  rights of way  easements (other than normal utility easements)  
24  access limitations  written or oral agreements concerning the use or access to/from this property
- 25     D. Is there a  written or  oral agreement for joint maintenance of an easement?
- 26     E. Any sale, transfer or reservation of development, water or drainage rights?
- 27     F. Any sale, transfer or reservation of oil, gas, mineral rights, or timber rights?
- 28     G. Are you aware of any governmental study, survey, or notice that would affect this Property?
- 29     H. Are there any pending or existing assessments against this Property (other than real property taxes not yet due  
30 for the current year)?
- 31 I. What is the current zoning for the Property? RR5
- 32 J. What is the current use of the Property? VACANT
- 33     K. Are you aware of any pending land use changes?

Buyer Initials MB Date 9/11/2018 5:45:09 PM PDT Seller Initials DS, FS Date 9-23-18

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### VACANT LAND DISCLOSURE ADDENDUM

Property Address E Main St, Ashland, OR 97520

- 34     L. Is there a land survey for this Property? Survey Number (if known) \_\_\_\_\_
- 35     M. Is this Property subject to any recorded or unrecorded Covenants, Conditions, and Restrictions?
- 36     N. Are there any conservation, easements, or agreements?

YES	NO	UNKNOWN	N/A	II. GENERAL INFORMATION	
-----	----	---------	-----	-------------------------	--

- 37     A. Have there been any settling, soil problems, standing water, flooding, or drainage problem on this Property?
- 38     B. Does the Property contain soil used to fill, build up, or level areas of the ground ("fill dirt")?
  - 39     1. If yes, does the fill dirt contain foreign materials (e.g. wood, rock, debris)?
  - 40     2. If yes, was the fill dirt compacted?
- 41     C. Has this Property been identified as "wetland", antiquities, dunes area, or other similar designation?
- 42     D. Is the Property in a designated flood or slide zone? FEMA Map # (if known) \_\_\_\_\_
- 43     E. Has there been major damage to this Property from fire, wind, flood, earth movement, or landslide?
- 44     F. Are you aware of any above ground or underground tanks used for any purpose (e.g., fuel, chemical, septic, abandoned tanks, etc.) currently or previously in use on the Property?
- 45     G. Are you aware of any hazardous material, toxic waste, or trash dumping on this Property?
- 46     H. Are there any structural improvements or personal property located on the Property that are included in this transaction? If "yes" list all items: \_\_\_\_\_
- 47
- 48
- 49
- 50     1. Are there any defects or problems with any of these items? If "yes" describe all problems and defects: \_\_\_\_\_
- 51
- 52     I. Has this Property been used for the manufacture or distribution of illegal substances, excluding marijuana?
 

Note: Although marijuana has been legalized for medicinal and recreational use in Oregon, it remains a "Controlled Substance" under Federal Law, and is illegal. See <https://www.whitehouse.gov/ondcp/state-laws-related-to-marijuana>
- 53
- 54
- 55
- 56     J. Has this Property been used to legally grow marijuana for either medicinal or recreational use as permitted under Oregon laws?
- 57

BUYER MAY WISH TO INVESTIGATE FURTHER ANY OF THE ISSUES MENTIONED ABOVE.

YES	NO	UNKNOWN	N/A	III. WATER	
-----	----	---------	-----	------------	--

- 59     A. Is there currently a domestic water supply for this Property?
  - 60     1. If "yes", from what source?  public utility  community water system  private well
  - 61      other (specify) \_\_\_\_\_
  - 62     2. If "no", is a permit required  Yes  No. Has it been applied for?  Yes  No
- 63     B. If Property is currently supplied from a well:
  - 64     1. Is there more than one well serving the Property?
  - 65     2. Is (are) the well(s) located on the Property? (If No, attach explanation).

Buyer Initials MLB Date 9/11/2018 5:45:09 PM PDT

Seller Initials BS Date 3-23-19

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# VACANT LAND DISCLOSURE ADDENDUM

Property Address E Main St, Ashland, OR 97520

- 66     3. Is (are) the well(s) shared?
- 67     a. Is there an oral or written agreement for a shared well?
- 68     b. Is there an easement (recorded or unrecorded) for access to and maintenance of a shared well?
- 69     4. Is a copy of the well log(s) available?
- 70     5. Well depth(s) is estimated to be \_\_\_\_\_ feet
- 71     6. Well(s) supply approximately \_\_\_\_\_ gallons per minute (GPM) of water.
- 72 a. This figure is taken from  well log  a flow test of the well performed when \_\_\_\_\_
- 73 and by whom \_\_\_\_\_
- 74     7. Is there a holding tank in addition to the pressure tank for the water system?
- 75 a. If "yes", what is the capacity of the tank? \_\_\_\_\_ gallons.
- 76 8. Well is \_\_\_\_\_ years old. Pump type:  submersible  jet. Pump make \_\_\_\_\_
- 77 Installed by \_\_\_\_\_ date \_\_\_\_\_
- 78 Serviced by \_\_\_\_\_ date of last service \_\_\_\_\_
- 79     9. Are there any known problems with the water system?
- 80     10. Have there been any repairs to the water system?
- 81     11. Has a  coliform bacteria  nitrates  arsenic or  other water quality test been performed on
- 82 domestic water supply? If "yes", when \_\_\_\_\_ by whom \_\_\_\_\_
- 83     C. Is there a water treatment system? If "yes",  owned or  leased?
- 84 1. If "yes", for what purpose was the water treatment system installed? \_\_\_\_\_
- 85 2. Is the water treatment system in good working order? (If No, attach explanation).
- 86     D. Are there any abandoned wells on the Property?
- 87     E. Do you have other pertinent information regarding the water supply? If "yes", please attach an explanation.
- 88     F. Are there any irrigation wells? If "yes", how many? \_\_\_\_\_.
- 89     G. Are there water appropriation rights for this Property?
- 90 1. Have the water rights been certified by the State of Oregon?
- 91 2. To what body of water do the water rights pertain? \_\_\_\_\_
- 92 3. Have the water rights been used beneficially during the last five years?
- 93     H. Are any man-made ponds or bodies of water on this Property?
- 94 1. If "yes", is there a permit?
- 95 BUYER SHOULD HAVE ANY NONPUBLIC WATER SOURCES TESTED FOR POTABILITY AND ADEQUACY OF SUPPLY.

YES NO UNKNOWN N/A

## IV. SEWAGE

- 96     A. Is sanitary sewer currently available to this Property?
- 97 1. If "yes", where is the sewer line located? \_\_\_\_\_
- 98     2. If "no", will such service be available in the future? \_\_\_\_\_

Buyer Initials MLB Date 9/11/2018 5:45:09 PM PDT

Seller Initials BS, FS Date 3-23-18

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# VACANT LAND DISCLOSURE ADDENDUM

Property Address E Main St, Ashland, OR 97520

- 99     B. Are you aware of any sanitary sewer proposed for this Property?
- 100     C. Is there a septic system on this Property?
- 101 1. If "yes", what type of system?  standard  cap fill  sand filtration  other \_\_\_\_\_
- 102 2. Last inspected by \_\_\_\_\_ date \_\_\_\_\_
- 103 *Please attach copies of the inspection report and invoice*
- 104 3. Date septic system was last pumped \_\_\_\_\_ by whom \_\_\_\_\_
- 105     4. Any known problems or repairs? If "yes", please explain on attached sheet.
- 106     D. If a septic system will need to be installed, is there a current governmental approval for such a system?
- 107 1. If "yes", what type of system?  standard  cap fill  sand filtration  other \_\_\_\_\_
- 108 Date of approval \_\_\_\_\_
- 109     E. Is there an abandoned septic system on the Property? If "yes", where is it located? \_\_\_\_\_
- 110 **BUYER MAY WISH TO HAVE THE SEWAGE SYSTEM INSPECTED**

## V. DEED RESTRICTIONS, ASSOCIATIONS, COMMON FACILITIES, ETC

- | YES                      | NO                                  | UNKNOWN                             | N/A                      |   |
|--------------------------|-------------------------------------|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | A. Are there CC&Rs?   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | B. Is there a Home or Unit Owners' Association?   |
|                          |                                     |                                     |                          | 1. If "yes" Who is the contact person? _____  |
|                          |                                     |                                     |                          | contact information: _____  |
|                          |                                     |                                     |                          | 2. Monthly or annual dues _____ Assessments _____   |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | C. Is this Property in an area with a neighborhood group or community organization?   |
|                          |                                     |                                     |                          | 1. If "yes", contact information _____  |
| <input type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | D. Are there any features of this Property shared in common with adjoining landowners, such as a wall, fence, roof, road, or driveway for which use or maintenance responsibility may affect this Property? |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | E. Are there any known disputes, irregularities, or other unsettled issues?   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | F. Are there any "common areas" (facilities such as a pool, recreation building, tennis court, walkway, etc.)?  |

## VI. OTHER CONDITIONS OR DEFECTS

- 123     A. Are you aware of any other condition, defect, feature, problem, material fact, or issue in its immediate vicinity, affecting the buyer's use and/or enjoyment of this Property?
- 124

## VII. DOCUMENTS AND EXPLANATIONS

125 Please list any attached documents, reports, explanations of "Yes" answers, or those questions indicating an explanation here:

126 \_\_\_\_\_

127 \_\_\_\_\_

128 \_\_\_\_\_

129 \_\_\_\_\_

130 \_\_\_\_\_

131 \_\_\_\_\_

132 \_\_\_\_\_

133 \_\_\_\_\_ [Attach Addendum if necessary.]

Buyer Initials MAB Date 9/11/2018 5:45:09 PM PDT

Seller Initials BS, JFS Date 9/28/18

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VACANT LAND DISCLOSURE ADDENDUM

Property Address E Main St , Ashland , OR 97520

134 SELLER REPRESENTS TO BUYER THAT THE FOREGOING ANSWERS IN THIS VACANT LAND DISCLOSURE ADDENDUM, TOGETHER
135 WITH ALL INCLUDED DOCUMENTS AND INFORMATION, IF ANY, ARE COMPLETE AND CORRECT TO THE BEST OF SELLER'S ACTUAL
136 KNOWLEDGE, WITHOUT FURTHER INVESTIGATION OR TESTING.

137 Seller's Signature Fair Shaffer Date 03-26-2018 a.m. p.m. ←

138 Seller's Signature Bonnie Shaffer Date 3-23-18 a.m. 4 p.m. ←

139 UNLESS PREVIOUSLY WAIVED BY BUYER IN WRITING,SELLER SHALL DELIVER A COPY OF THE COMPLETED VACANT LAND DISCLOSURE ADDENDUM TO ANY
140 BUYER MAKING A WRITTEN OFFER TO PURCHASE THE PROPERTY. BUYER SHALL HAVE THE ABSOLUTE RIGHT TO REVOKE THEIR OFFER, FOR ANY REASON
141 OR NO REASON, BY GIVING WRITTEN NOTICE TO SELLER WITHIN FIVE (5) BUSINESS DAYS FOLLOWING THE DATE OF SELLER'S DELIVERY OF THE DISCLOSURE
142 ADDENDUM TO BUYER (THE "REVOCATION PERIOD"). UNLESS PREVIOUSLY WAIVED IN WRITING, IF BUYER'S RIGHT OF REVOCATION IS NOT TIMELY
143 EXERCISED IN WRITING BY MIDNIGHT AT THE END OF THE LAST DAY OF THE REVOCATION PERIOD, IT SHALL AUTOMATICALLY EXPIRE. IN ALL EVENTS, SAID
144 RIGHT OF REVOCATION SHALL EXPIRE UPON CLOSING OF THE TRANSACTION.

Acknowledgment

Buyer's Signature Michael A Black Date & Time 9/11/2018 5:45:09 PM PDT
City of Ashland

Buyer's Agent Signature Eric Poole / Eric Herron Date & Time 9/12/2018 10:37:00 AM PDT

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# Council Business Meeting

June 20, 2017

**Title:** Conveyance of Real Property – YMCA Park  
**From:** Michael A. Black, AICP Parks Director  
michael.black@ashland.or.us

## Summary:

After a mutually beneficial relationship lasting over thirty-one years, the Ashland YMCA and Ashland Parks and Recreation Commission (APRC) have decided to conclude their partnership at the YMCA Park. Historically, APRC has maintained the fields and facilities at the park at no cost to the YMCA. Although youth programs will continue at the Park through the Ashland YMCA organization, the property will be deeded back to the YMCA and the two agencies will no longer maintain their historic relationship of landlord and tenant.

YMCA Park is located adjacent to the Ashland YMCA facility on Tolman Creek Road and encompasses 6.56 acres, including a parking lot, soccer fields, playground and multi-purpose building. In 1986 the YMCA and APRC entered into an agreement resulting in a deed of 6.56 acres of land to APRC at no cost. According to the agreement, APRC agreed to build out and maintain the facility over time at no cost to the YMCA so long as they implemented and managed a soccer program for Ashland youth at the Park.

During the thirty-one year partnership, the YMCA has used the property to accomplish a youth soccer program, among other programs and events that have benefited thousands of Ashland's youth and families. At this time, however, it is clear that the Park is disproportionately used by the YMCA for their growing programs which limits the "free play" time at the Park to those times the YMCA does not have the facilities reserved.

APRC has agreed to deed the land back to the YMCA for the cash consideration of the depreciated value of the existing improvements (parking lot, restrooms, playground and fields). Additionally, the YMCA has committed to continue to offer soccer and other youth programs on the fields for an indefinite amount of time. APRC will use the funds that are collected from the conveyance of the property to build a new facility in the immediate area that will replace the playground, picnicking areas and restrooms in a new neighborhood park.

The Oregon Revised Statutes allow the City to convey real property whenever the "public interest may be furthered":

*"(1) . . . a political subdivision may sell, exchange, convey or lease for any period not exceeding 99 years all or any part of their interest in the property to a governmental body or private individual or corporation. The consideration for the c or lease may be cash or real property, or both." ORS 271.310(1).*



### **Actions, Options, or Potential Motions:**

The Ashland Parks Commissioners have voted to convey the 6.56 acres of land that makes up the YMCA Park back to the YMCA with consideration for the values associated with the capital improvements on the site. The City Council may choose to either approve the Commissioner's decision or reject it.

### **Potential motion:**

*I move that the City Council approves the recommendation of the Park Commissioners to convey 6.56 acres of land which comprises the YMCA Park to the Ashland YMCA for cash and other considerations listed in the staff report.*

### **Staff Recommendation:**

Staff recommends that the City Council affirm the decision of the Ashland Parks Commissioners to convey the YMCA Park property back to the YMCA with the following conditions:

1. YMCA will pay APRC \$480,000 cash at the time of the sale for the 2017 Depreciated Replacement Cost Estimate, according to the 2017 Appraisal
2. YMCA will guarantee that the full site will be used for youth sports for the next ten years with a penalty of \$270,000 if YMCA sells any of the land or quits providing youth sports at the Property
3. YMCA will grant a pedestrian and bicycle easement through the Property while APRC owns adjacent property, or until a public right of way from Tolman to Clay Street is constructed adjacent to the Property
4. YMCA will allow citizens of Ashland to use the playground facility for active play, while not already in use by the YMCA, until APRC builds a new park, with a playground, within a quarter mile of the existing park or for two years – whichever is less.

### **Resource Requirements:**

The resources used to improve the property in the 1980s were dedicated assets from the Parks fund. No resources are required for the conveyance of this property. In fact, the YMCA will pay the Ashland Parks and Recreation Commission \$480,000 in cash at conveyance and the following fiscal benefits will also be realized with the conveyance of the property:

1. YMCA will continue to provide soccer and youth sports for at least ten years. APRC will no longer be responsible for the cost associated with the field maintenance to provide this recreational service to the citizens of Ashland during that time.
2. APRC will be able to remove itself from the perpetual deed and its associated fiscal requirements conclusively.
3. APRC will save the deferred maintenance costs required at the YMCA Park.
4. The proceeds from the sale of the land will go directly to the replacement of restroom facilities, playground and other amenities within a new park close to the YMCA park, ensuring that citizens do not "lose" a park facility through the sale of this land

### **Policies, Plans and Goals Supported:**

The action requested in this Council Communication is supported by the following APRC goals:

*Negotiate with the Ashland YMCA to rid APRC of the restrictive deed that currently governs the use of APRC's "YMCA Park."*

### **Background and Additional Information:**

The Property was first purchased by the Ashland YMCA from Devex, Inc. in 1980. In 1986, the YMCA and the Ashland Parks and Recreation Commission reached an agreement of conveyance of the unimproved land to APRC at no cost with the following conditions:

1. Within two years, APRC will complete all improvements including:
  - a. Irrigation
  - b. Fill, level and plant grass playing fields
  - c. Build multi-purpose building (restrooms, concessions and shelter)
  - d. Develop paved parking area
2. YMCA will have the first right to all property except parking lot, with the right to exclusive use during the times requested by YMCA , in perpetuity
3. APRC and public can use the park when YMCA is not
4. APRC will not charge YMCA any fees or costs for the use of the fields and appurtenant facilities, in perpetuity
5. *"APRC shall maintain the park and the playing fields suitable for soccer so long as the YMCA maintains a soccer program."* (quoted from deed of 1986)

In late 2016, an appraisal was contracted for the property with Brown, Chudleigh, Schuler, Myers and Associates out of Medford, OR. The appraiser evaluated the land based on its current value considering the deed restrictions cited above.

The appraised values of the land are as follows (from 2017 Brown, Chudleigh, Schuler, Myers and Associates appraisal):

- a. "As Is" Market Land Value (February 10, 2017): **\$0 (ZERO DOLLARS)**
- b. Depreciated Replacement Cost Estimate of Site Improvements (February 10, 2017): **\$480,000.00**

From the 2017 Appraisal:

*"It is our opinion that with the onerous deed restriction, which constitutes a substantial burden to a buyer, no well-informed or well advised buyer would purchase a property that cannot be developed to its highest and best use. Therefore, since the definition of market value cannot be*

*met, in our opinion, the market value of the fee simple interest in the subject land would be zero.”*

*– 2017 Brown, Chudleigh, Schuler, Myers and Associates Appraisal, Page iii*

In addition, the cost of maintenance of the park is estimated at between \$35,000 and \$50,000 for the full 6.56 acres. Utility costs are lower than some parks due to the fact that the main water source on the property is from a well shared with the YMCA. The cost of maintenance is something that is incumbent upon Ashland Parks to provide as long as the restrictive deed is in place. Aside from routine maintenance, all other major maintenance and replacement at the park is also the responsibility of Ashland Parks.

The Ashland YMCA does not wish to relinquish the water rights to the well and the cities water rights to the well will be conveyed to the YMCA with the sale.

**Park Replacement:**

APRC owns property in the vicinity of the YMCA Park and, in keeping with the goal of providing parks within walking distance of our citizens, we will develop a new park to replace the YMCA Park that will be open to the public as a neighborhood park. The timeline for replacement is estimated at two-years and during that time, the YMCA has agreed to allow the public to continue to access some of the facilities at the YMCA Park.

**Attachments:**

1. YMCA Park Map
2. 1986 YMCA Park Restrictive Deed
3. 2017 Brown, Chudleigh, Schuler, Myers and Associates Appraisal