

Council Business Meeting

May 15, 2018

Title: Potential Property Purchase 1291 Oak Street
From: Paula C. Brown, PE Public Works Director
paula.brown@ashland.or.us

Summary:

With prior direction from Council, Staff entered into exploratory negotiations with realtors for the Hardesty Trust regarding purchasing the property at 1291 Oak Street. Staff has negotiated a purchase price of \$1,200,000 and escrow has been opened. The property is adjacent to the wastewater treatment plant and is on two separate tax lots totaling 20.98 acres. The two lots were originally listed at \$1,500,000. The property is zoned exclusive farm use (EFU).

Actions, Options, or Potential Motions:

1. Move approval to authorize the purchase of 1291 Oak Street, and direct the Interim City Administrator to sign final closing documents at a purchase price of \$1,200,000.
2. Move to deny the purchase and withdraw from further negotiations.
3. Move to direct staff to continue negotiations with revised direction from council.

Staff Recommendation:

Staff recommends approval to purchase the Hardesty property at 1291 Oak Street for the following potential uses as shown on the attached concept map:

- Constructed wetlands for wastewater cooling; 8 acres.
- B-Street Yard type activities; 6 acres.
- Fire Department training site on 1 acre.
- Riparian improvements 2 acres.
- Home site and garage, 1.5 acres.
- Potential public parking and internal access, 1.5 acres.

Resource Requirements:

Staff from finance and public works have met to discuss an overall cost neutral strategy. Once public works vacates the B Street Yard, that asset will be brought to Council for approval to declare it surplus and sell the property. The as-is market appraisal completed in January 2018, indicates the value of the B Street property to be \$1.8M to \$1.92M, well in excess of the purchase price of the Hardesty property. The B Street Yard property is owned by the City and the majority of the funds will return to the General Fund with one third helping to off-set the Hardesty purchase refunding the departments that are intended to participate.

In the interim, the purchase of the Oak Street property will be split based on intended site use. The largest portion will be funded from the wastewater fund (60%); smaller portions from streets (20%), water (15%) and fire (5%; general fund) proportionate to the immediate use. Should Parks be interested in the use of the site, staff will negotiate an appropriate proportional funding opt-in charge.

Wastewater Fund	60%	\$720,000
Street Fund	20%	\$240,000
Water Fund	15%	\$180,000
General Fund	5%	\$ 60,000

Policies, Plans and Goals Supported:

Council Goals:

- 4. Evaluate real property and facility assets to strategically support city mission and goals.
- 22. Prepare for the impact of climate change on the community.

Department Goals:

- Maintain and improve infrastructure that enhances the economic vitality of the community
- Evaluate all city infrastructure regarding planning management and financial resources

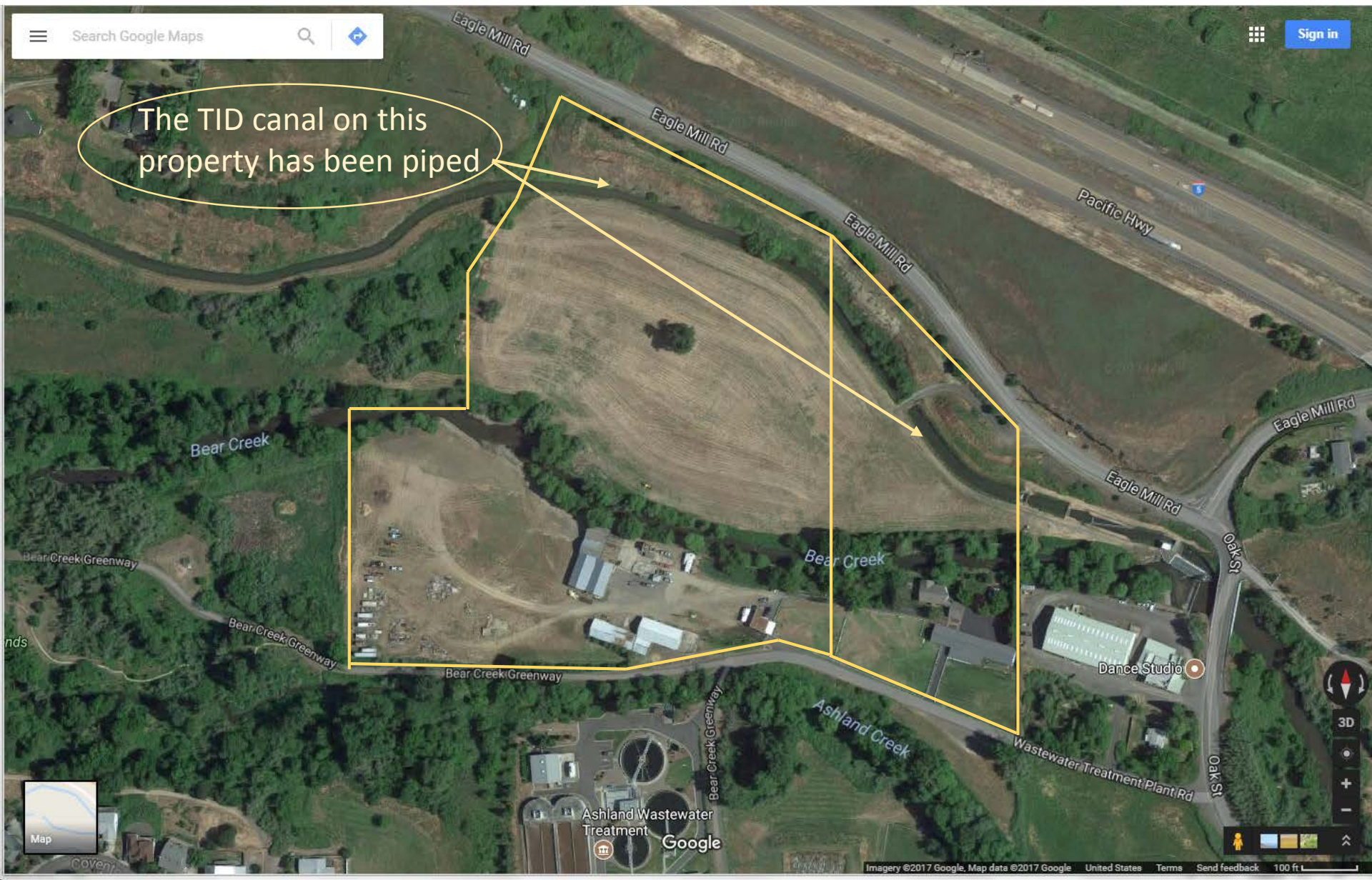
Background and additional information as requested by Council:

- **Level of *clean-up* (if any) required:** The property owner is required to remove all personal property including all staged vehicles and trash. A Level 1 environmental evaluation was completed by the prior owners. Staff review indicates no significant concerns (the heating oil tank was remediated with a no-further-action letter provided). Per purchase contract, no formal testing (test pits) was completed.
- **Flood plain considerations:** The property is in the 100-year flood zone. The home was built after the 1997 flood and after revised Federal Insurance Rate Maps were instituted. The home should have received a 100-year flood zone certificate. There will be containment requirements for the temporary storage of B Street Yard materials. Wetlands are an approved use in the flood way.
- **This property is *outside City limits and outside UGB.*** Initial conversations with Jackson County indicate that although the land use will be complicated, it should not require a zone change. Staff will continue to work with Jackson County Planning
- **EFU allowed uses:** The property is zoned EFU/RT (Rural Tract). The County rules for EFU are 42 pages long, but staff’s initial review indicates Type 1 or Type 2 review requirements for activities currently proposed by the City. Wetlands are out-right permitted use (but still requires a type 1 action). The other uses will require a full application and Type 2 reviews. Jackson County Planning staff have been very supportive and receptive to the City’s ideas.
- **Water rights:** There are two water rights associated with the property dating 1880 and 1881 totaling 0.34 cfs (220,000 gallons per day). In addition there is a well on site which tested at 26 gallons per minute and should remain functional for irrigation use.
- **Vehicular access challenges:** The City owns the shared road access to the property and wastewater treatment plant. There are current challenges with vehicular and bike/pedestrian conflicts at the bridge across Ashland Creek into the wastewater treatment plant. The size of the property allows for adequate internal access and there is potential to widen the road section along other City owned property to gain adequate sight distances and avoid conflicts at the driveway access to the property.
- **Options for the existing residence:** The home is beautiful and in fairly good condition as reported in the home inspection. It is however, situated in an awkward location for use as a residence. Staff will evaluate options for use or disposition.

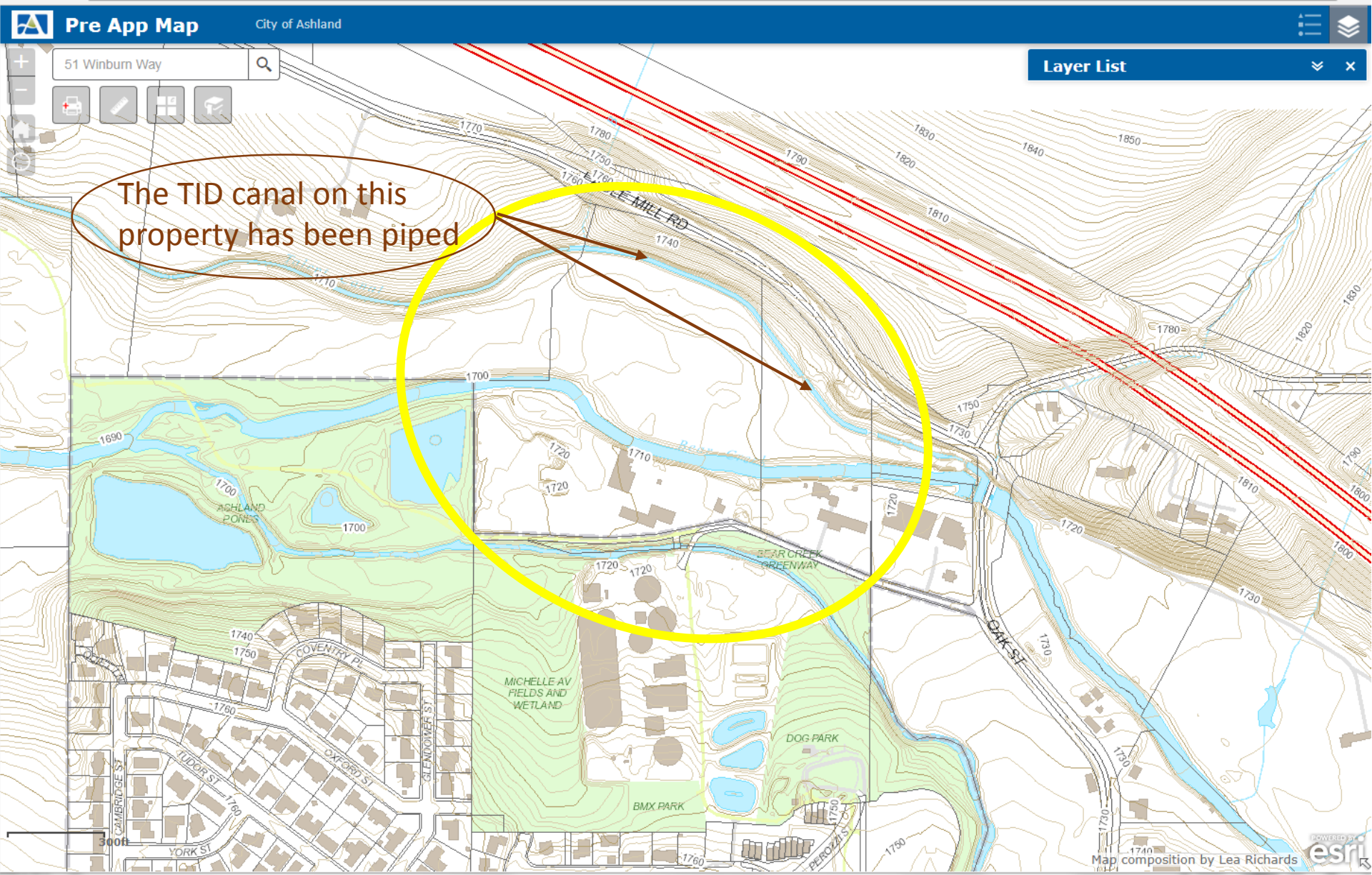
Attachments:

- Site plan and conceptual use plan
- Seller's final counter offer (#3) dated 4/3/2018
- Seller's counter offer #1 and residential sales agreement (1/8/2018)

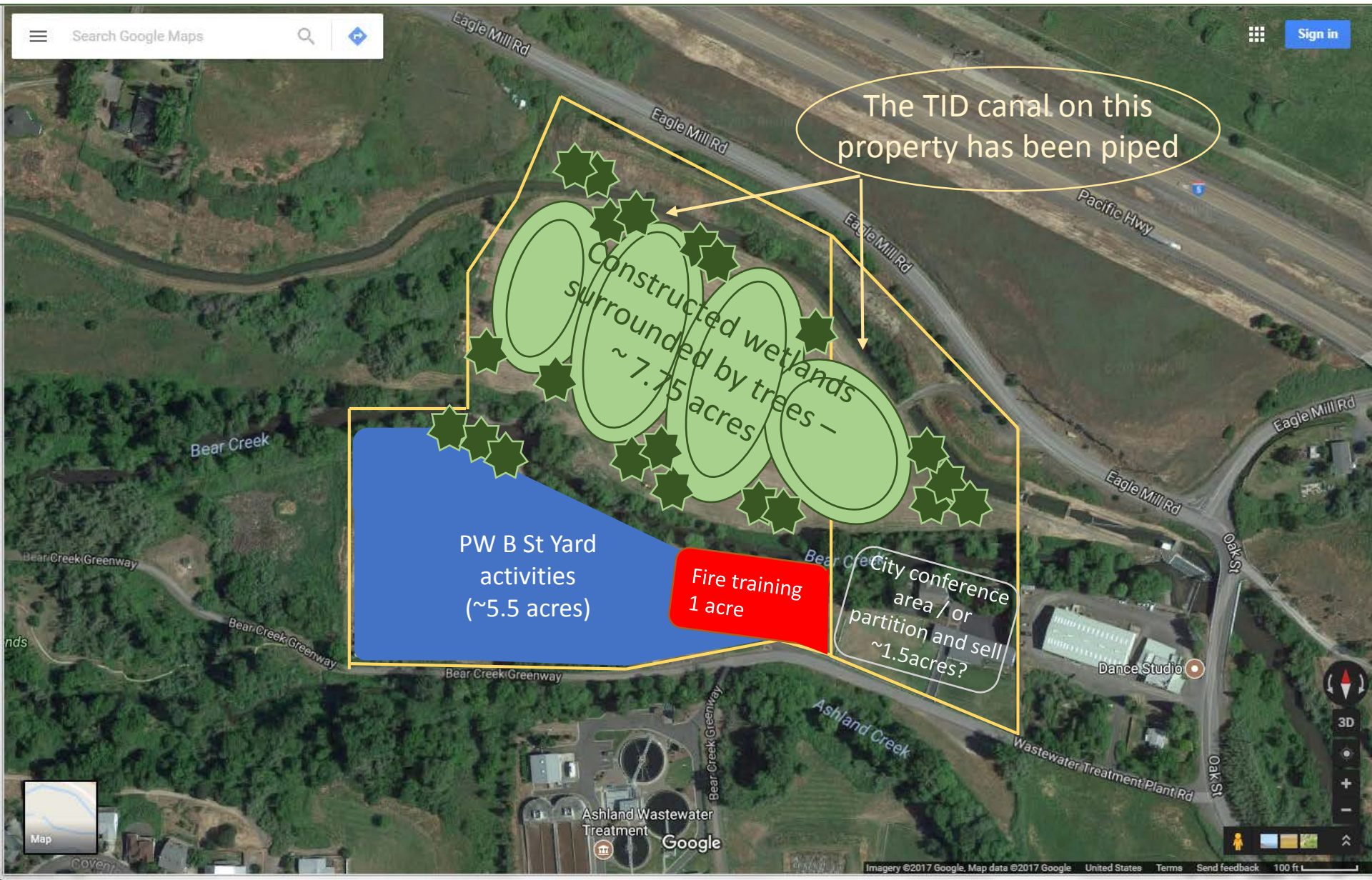
1291 Oak Street, Ashland 381E33 402 and 400 (boundary lines not exact)



1291 Oak Street, Ashland 381E33 402 and 400



1291 Oak Street, Ashland 381E33 402 and 400 (boundary lines not exact)





Sale Agreement # **gg1302018**

SELLER'S COUNTER OFFER No. 3

1 This is a counter offer to Sale Agreement or Buyer's Counter Offer
 2 Seller: **Steven Hardesty SoleTrustee of the , Harold C Hardesty Trust dtd March 14, 2008, as amended.**
 3 Buyer: **City of Ashland**
 4 The real property described as: **1291 Oak St, Ashland, OR**

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. Sales price to be \$1,200,000.00.**
 7 **2. Close of escrow to be June 30, 2018 or sooner.**
 8 **3. All buyer and seller signature response timelines extended to March 23, 2018 @ 5:00pm.**
 9 **4. All other items to remain the same.**

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 **March 26, 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 **per listing agreement**

29 DocuSigned by:
 30 Seller Signature SH Date 3/20/2018 | 11:25 AM PDT a.m. ___ p.m. ←
 31 Seller Signature SH Date 3/20/2018 | 1:44 PM PDT a.m. ___ p.m. ←
 32 **Steven Hardesty SoleTrustee of the**
 33 **Harold C Hardesty Trust dtd March 14, 2008, as amended.**

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 Offer, where applicable, which Buyer has fully read and understands.

37 DocuSigned by:
 38 Buyer Signature City of Ashland - Adam Hanks Date 4/3/2018 | 15:56 PDT a.m. ___ p.m. ←
 39 Buyer Signature _____ Date _____ a.m. ___ p.m. ←
 40 **City of Ashland**
 41 C325A71A1304486...

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 **Lisa Coleman** Buyer's Agent **Danna Gibson**

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Sale Agreement # **gg122117**

SELLER'S COUNTER OFFER No. 1

1 This is a counter offer to Sale Agreement or Buyer's Counter Offer
2 Seller: **Steven Hardesty Trustee**
3 Buyer: **City of Ashland**
4 The real property described as: **1291 Oak St, Ashland, OR**

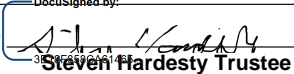
5 **AGREEMENT TO SELL:** Seller agrees to sell the real and personal property upon the terms and conditions set forth in the Sale Agreement and
6 subsequent counter offers where applicable, **except** as modified as follows: **1. Sales Price to be \$1,300,000.**
7 **2. Seller have already had a Phase one environmental assessment done and will provide buyers with an emailed copy.**
8 **3. Seller will not have another Phase one environment assessment done.**
9 **4. Buyers may choose to have a phase two environmental assessment done at their expense, sellers will not pay for a phase two**
10 **enviromental assessment.**

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 **January 12, 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 **Per Listing Agreement**

29 _____
30 Seller Signature  Date **1/8/2018 | 2:57 PM PST** a.m. ___ p.m. ←
Steven Hardesty Trustee

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

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 _____ Date _____ a.m. ___ p.m. ←
City of Ashland

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 **Lisa Coleman** Buyer's Agent **Danna Gibson**

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Sale Agreement # **gg122117**

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 **Danna Gibson** (Name of Buyer's Agent(s)*), Oregon Lic. # **890500217**
4 of **John L Scott Ashland** (Name of Real Estate Firm(s)*)
5 Buyer's Agent's Office Address **320 E Main St, Ashland, OR 97520**, Company Lic. # **201207473**
6 Phone **(541)708-5775** Fax **(541)488-1511** E-mail **agg@johnlscott.com**

7 is/are the agent of (check one): Buyer exclusively ("Buyer Agency"). Both Buyer and Seller ("Disclosed Limited Agency").
8 **Lisa Coleman** (Name of Seller's Agent(s)*), Oregon Lic. # **960500119**
9 of **John L Scott** (Name of Real Estate Firm(s)*)
10 Seller's Agent's Office Address **871 Medford Center, Medford, Or 97504**, Company Lic. # **201207473**
11 Phone **(541)779-3611** Fax _____ E-mail **lisaco@johnlscott.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 Agents and Firm names should be
14 disclosed above. For directions on how to look up license numbers: <https://orea.license.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 in
16 that Real Estate Firm, Buyer and Seller acknowledge that said principal broker shall become the disclosed limited agent for both Buyer and Seller as
17 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
19 time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final
20 Agency Acknowledgment shall not constitute acceptance of this Agreement or any terms therein.

21 Buyer John Karns DocuSigned by: Print **City of Ashland** Date **1/4/2018 | 14:20 PST**
22 Buyer _____ DocuSigned by: Print _____ Date _____
23 Seller Harold C Hardesty Trust Print **Harold C Hardesty Trust** Date **1/8/2018 | 2:57 PM PST**
24 Seller _____ Print _____ Date _____

RESIDENTIAL 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 31 (DEFINITIONS AND**
28 **INSTRUCTIONS SECTION).**

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

30 offers to purchase from Seller Harold C Hardesty Trust

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

33 **1291 Oak St, Ashland, OR 97520-1058**

34 **38 1E 33 Lots 402 & 400**

35 (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
36 Section 9, shall, where necessary, be used for purposes of legal identification and conveyance of title.)

37 for the Purchase Price (in U.S. currency) of _____ A \$ **1,000,000.00**

38 on the following terms: Earnest money herein receipted for _____ B \$ **10,000.00**

39 on _____, as additional earnest money, the sum of _____ C \$ _____

40 at or before Closing, the balance of down payment _____ D \$ **990,000.00**

41 at Closing and upon delivery of **DEED** **CONTRACT** the balance of the Purchase Price _____ E \$ _____

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

Buyer Initials JK / _____ Date **1/4/2018 | 14:20 PST**

Seller Initials SH / _____ Date **1/8/2018 | 2:57 PM**

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 1 of 11



Sale Agreement # **gg122117**

45 **2. FIXTURES:** All fixtures (including remote controls and essential related equipment) are to be left upon the Property. Fixtures shall include but
46 not be limited to: built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows;
47 system fixtures (irrigation, plumbing, ventilating, cooling and heating); water heaters; attached electric light and bathroom fixtures; light bulbs;
48 fluorescent lamps; window blinds; awnings; fences; all planted shrubs, plants and trees; EXCEPT: Sellers personal property
49

50 **3. PERSONAL PROPERTY:** Only the following personal property, in "AS-IS" condition and at no stated value is included:
51 built ins
52
53

54 **FINANCING**

55 **4. BALANCE OF PURCHASE PRICE.** (Select A or B)

56 **A. This is an all cash transaction.** Buyer to provide verification ("Verification") of readily available funds as follows (select only one):
57 Buyer has attached a copy of the Verification with the submission of this Agreement to Seller or Seller's Agent. Buyer will provide Seller or
58 Seller's Agent with the Verification within 10 business days (five [5] if not filled in) after this Agreement has been signed and accepted; or
59 Other (Describe): _____
60 Seller may notify Buyer or Buyer's Agent, in writing, of Seller's unconditional disapproval of the Verification within _____ business days (two [2] if not
61 filled in) ("Disapproval Period") following its receipt by Seller or Seller's Agent. Provided, however, such disapproval must be objectively reasonable.
62 Upon such disapproval, all earnest money deposits shall be promptly refunded to Buyer and this transaction shall be terminated. **If Seller fails to**
63 **provide Buyer or Buyer's Agent with written unconditional disapproval of the Verification by 5:00 p.m. of the last day of the Disapproval**
64 **Period, Seller shall be deemed to have approved the Verification. If Buyer fails to submit a Verification within a time frame selected**
65 **above, unless the parties agree otherwise in writing, all earnest money deposits shall be promptly refunded and this transaction shall be**
66 **terminated.**

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

72 **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 Letter
73 at the time of making this offer; Buyer agrees to secure a Pre-Approval Letter and provide a copy to Seller as follows: _____
74

75 **5.1 FINANCING CONTINGENCIES.** If Buyer is financing any portion of the Purchase Price, this transaction is subject to the following financing
76 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,
77 (3) Other (Describe): _____
78

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

80 **5.2 FAILURE OF FINANCING CONTINGENCIES.** If Buyer receives actual notification from Lender that any Financing Contingencies identified
81 above have failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have _____ business days (two [2] if not filled
82 in) following the date of Buyer's notification to Seller to either (a) Terminate this transaction by signing a **Termination Agreement (OREF 057)**
83 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
84 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
85 occur within the time period identified in this Section 5.2, this transaction shall be automatically terminated and all earnest money shall be promptly
86 refunded to Buyer. Buyer understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back
87 on the market for sale upon any price and terms as Seller determines, in Seller's sole discretion.

88 **5.3 BUYER REPRESENTATION REGARDING FINANCING:** Buyer makes the following representations to Seller: (1) Buyer's completed loan
89 application, as hereinafter defined, shall be submitted to the Lender that provided the Pre-Approval Letter, a copy of which has been delivered to
90 Seller, or will be, pursuant to Section 4C, above.

91 (2) Buyer shall submit to Buyer's Lender a completed loan application for purchase of the Property not later than _____ business days (three [3] if not
92 filled in) following the date Buyer and Seller have signed and accepted this Agreement. A "completed loan application" shall include the following

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

DS
Seller Initials SH / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 2 of 11



Sale Agreement # **gg122117**

93 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 the
94 value of the Property; and (vi) the loan amount sought.

95 (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 -
96 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
97 promptly notify Seller of the date of Buyer's signed notice of intent to proceed with the loan.

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

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

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

104 (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
105 10 of this Agreement, (or Section 1 of the Professional **Inspection Addendum (OREF 058)** if used).

106 (8) Buyer currently has liquid and available funds for the earnest money deposit and down payment sufficient to Close the transaction described
107 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.),
108 except as follows (*describe*): **None**

109 _____
110 _____

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

113 **6.1 INSURANCE:** Buyer is encouraged to promptly verify the availability and cost of property/casualty/fire insurance that will be secured for the
114 Property. Additionally, lenders may require proof of property/casualty/fire insurance as a condition of the loan.

115 **6.2 FLOOD INSURANCE; ELEVATION CERTIFICATE:** If the Property is located in a designated flood zone, flood insurance may be required as a
116 condition of a new loan. Buyer is encouraged to promptly verify the need, availability, and cost of flood insurance, if applicable. An Elevation
117 Certificate ("EC") is the document used by the federal National Flood Insurance Program ("NFIP") to determine the difference in elevation between
118 a home or building, and the base flood elevation ("BFE"), which is a computed elevation to which floodwater is anticipated to rise during certain
119 floods. 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,
120 depending upon when they were constructed. ECs must be prepared and certified by a land surveyor, engineer, or architect who is authorized by
121 the 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**
122 **Property requires an EC, it will need to be obtained prior to receiving a flood insurance quote. Additionally, lenders may require an EC as**
123 **a condition of loan approval. For more information, go to the following link: <http://www.fema.gov/base-flood-elevation>**

124 **7. SELLER-CARRIED FINANCING (E.G., LAND SALE CONTRACT/TRUST DEED/MORTGAGE/OPTION AGREEMENTS, RENT-TO-OWN,**
125 **ETC.):** Notice to Buyer and Seller: If this transaction involves a land sale contract, trust deed, mortgage, option, or lease-to-own agreement
126 (hereinafter a "Seller Carried Transaction"), Oregon law requires that, unless exempted, individuals offering or negotiating the terms must hold a
127 mortgage loan originator ("MLO") license. Your real estate agent is not qualified to provide these services or to advise you in this regard. Legal
128 advice is strongly recommended. Oregon law exempts the following individuals from the MLO licensing law: (a) Those who offer or negotiate terms
129 of a residential mortgage loan with or on behalf of their spouse, child, sibling, parent, grandparent, grandchild or a relative in a similar relationship
130 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
131 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
132 this is a Seller-Carried Transaction, and one or more of the preceding exemptions apply, Buyer and Seller agree as follows (select only one):

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

136 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
137 conditions of such financing (e.g. down payment, interest rate, amortization, term, payment dates, late fees, balloon dates, etc.) within ___ business
138 days (ten [10] if not filled in) commencing on the next business day following the date they have signed and accepted this Sale Agreement
139 ("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
140 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

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials DS / _____ Date 1/8/2018 | 2:57 PM

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Sale Agreement # **gg122117**

141 automatically terminated. **Caveat: Buyer's and Seller's Agents are not authorized to render advice on these matters. Buyer and Seller are advised to**
142 **secure competent legal advice while engaged in a Seller-Carried Transaction.**

143 **8. ADDITIONAL FINANCING PROVISIONS:** _____
144 _____

CONTINGENCIES

145 **9. TITLE INSURANCE:** When this Agreement is signed and accepted by Buyer and Seller, Seller will, at Seller's sole expense, promptly order from
146 the title insurance company selected at Section 22 below, a preliminary title report and copies of all documents of record ("the Report and
147 Documents of Record") for the Property, and furnish them to Buyer at Buyer's contact location as defined at Section 31(3) below. Unless otherwise
148 provided herein, this transaction is subject to Buyer's review and approval of the Report and Documents of Record (**if, upon receipt, the Report and**
149 **Documents of Record are not fully understood, Buyer should immediately contact the title insurance company for further information or seek**
150 **competent legal advice).** The Buyer's and Seller's Agents are not qualified to advise on specific legal or title issues.) Upon receipt of the Report
151 and Documents of Record Buyer shall have 7 business days (five [5] if not filled in) within which to notify Seller, in writing, of any matters
152 disclosed in the Report and Documents of Record which is/are unacceptable ("the Objections"). Buyer's failure to timely object in writing, shall
153 constitute acceptance of the Report and/or Documents of Record. However, Buyer's failure to timely object shall not relieve Seller of the duty to
154 convey marketable title to the Property pursuant to Section 28, below. If, within 7 business days (five [5] if not filled in) following Seller's
155 receipt of the Objections, Seller fails to remove or correct the matters identified therein, or fails to give written assurances reasonably satisfactory to
156 Buyer, that they will be removed or corrected prior to Closing, all earnest money shall be promptly refunded to Buyer, and this transaction shall be
157 terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Within thirty (30) days after Closing, the title
158 insurance company shall furnish to Buyer, an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the
159 amount of the Purchase Price, free and clear of the Objections, if any, and all other title exceptions agreed to be removed as part of this transaction.
160 (**Note: This Section 9 provides that Seller will pay for Buyer's standard owner's policy of title insurance. In some areas of the country,**
161 **such a payment might be regarded as a "seller concession."** Under the TILA/RESPA Integrated Disclosure Rules ["the Rules"], there are
162 **limitations, regulations and disclosure requirements on "seller concessions", unless the product or service paid for by the Seller was one**
163 **customarily paid by sellers in residential sales transactions. In Oregon, sellers customarily and routinely pay for their buyer's standard**
164 **owner's policy of title insurance. Accordingly, unless the terms of this Section 9 are modified in writing by Buyer and Seller, the parties**
165 **acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's standard owner's policy of title insurance**
166 **is not a "seller concession" under the Rules or any other federal law.)**

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

179 **Check only one box below:**

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

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials SH / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 4 of 11



Sale Agreement # **gg122117**

194 Period, written agreement is reached with Seller regarding Buyer's requested repairs, the Inspection Period shall automatically terminate,
195 unless the parties agree otherwise in writing.

196 Identify Invasive Inspections: _____.

197 ALTERNATIVE INSPECTION PROCEDURES: OREF 058 PROFESSIONAL INSPECTION ADDENDUM OR OTHER INSPECTION
198 ADDENDUM _____ is attached to this Agreement.

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

203 11. LEAD-BASED PAINT CONTINGENCY PERIOD: If the Property was constructed before 1978, a Lead-Based Paint Disclosure
204 Addendum (hereinafter "the Disclosure Addendum") shall be promptly signed by Seller, Buyer, and their respective agents, and become
205 a part of this Agreement. Buyer shall also be provided with a pamphlet entitled "Protect Your Family From Lead in Your Home." Buyer
206 shall have _____ calendar days (ten [10] unless a greater number is filled in) within which to conduct a lead-based paint assessment or
207 inspection (hereinafter referred to as "the Lead-Based Paint Contingency Period"), which shall commence immediately when Buyer and
208 Seller sign the Disclosure Addendum. Unless the opportunity to conduct a risk assessment or inspection is expressly waived in the
209 Disclosure Addendum, Buyer may, in writing, unconditionally cancel this transaction during the Lead-Based Paint Contingency Period
210 and receive a prompt refund of all earnest money deposits. Buyer understands that the failure to give timely written notice of
211 cancellation prior to Midnight on the last day of the Lead-Based Paint Contingency Period shall constitute acceptance of the condition of
212 the Property as it relates to the presence of lead-based paint or lead-based paint hazards.

213 OREF 021 Lead-Based Paint Disclosure Addendum is attached to this Agreement.

214 12.1 PRIVATE WELL: Does the Property include a well that supplies or is intended to supply domestic water for household use? Yes No
215 If the property contains a private well, the OREF 82 Private Well Addendum will be attached to this Sale Agreement.

216 12.2 ONSITE SEWAGE SYSTEM: Does the Property include an onsite sewage system? Yes No If the Property contains an onsite
217 sewage system, the OREF 081 Onsite Sewage System Addendum will be attached to this Sale Agreement.

218 13. PROPERTY DISCLOSURE LAW: Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that
219 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
220 Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the Oregon Administrative Rules) if Buyer does
221 not receive the Statement from Seller before Closing. Buyer may waive the right of revocation only in writing. Seller authorizes Seller's Agent's Firm
222 to receive Buyer's notice of revocation, if any, on Seller's behalf.

SELLER REPRESENTATIONS

223
224 14. SELLER REPRESENTATIONS: Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the
225 following representations to Buyer:

- 226 (1) The primary dwelling is connected to (check all that apply): a public sewer system; an on-site sewage system; a public
227 water system; a private well; other (e.g., surface springs, cistern, etc.).
- 228 (2) At the earlier of possession or Closing Date, the dwelling will have one or more operating smoke alarms, smoke detectors and carbon
229 monoxide detectors as required by law (See <http://www.oregon.gov/OSP/SFM/>).
- 230 (3) Seller has no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in appliances
231 and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in
232 residential housing and may exist in the Property.
- 233 (4) Seller knows of no material defects in or about the Property.
- 234 (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the
235 yard, will be in substantially their present condition at the time Buyer is entitled to possession.
- 236 (6) Seller has no notice of any liens or assessments to be levied against the Property.
- 237 (7) Seller has no notice from any governmental agency of any violation of law relating to the Property.
- 238 (8) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.
- 239 (9) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges, landscaping,
240 structures, driveways, and other such improvements) currently existing on the Property and the legal description of the Property.
- 241 (10) Seller will keep the Property fully insured through Closing.
- 242 (11) Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition that could result in
243 making any previously disclosed material information relating to the Property substantially misleading or incorrect.
- 244 These representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1)
245 through (11) are: None (For more exceptions see Addendum _____).

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials S/I / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 5 of 11



Sale Agreement # **gg122117**

246 **Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute**
247 **for, nor in lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of**
248 **professionals, where appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for**
249 **Buyer's intended use. Neither Buyer's nor Seller's Agents shall be responsible for conducting any inspection or investigation of any**
250 **aspects of the Property.**

251 **15.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS:** Subject to certain exceptions, Escrow is required to withhold a
252 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
253 with Escrow by executing and delivering any instrument, affidavit or statement as requested, and to perform any acts reasonable or necessary to
254 carry out the provisions of Oregon law.

255 **15.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING REQUIREMENT.** Seller and Buyer are advised that upon Closing, a Federal law, known
256 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
257 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-
258 resident alien individual, foreign corporation, foreign partnership, foreign trust or a foreign estate. Generally, the following rules apply under FIRPTA: (a) There
259 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 property
260 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 days the
261 property is vacant) it is used by such person during each of the first two 12-month periods following the date of closing; (b) The Withholding Requirement will
262 be ten percent (10%) of the purchase price when the seller is a "foreign person" and the purchase price is over \$300,000, but less than \$1,000,000, and (a)(ii)
263 and (iii) above apply; and (c) The Withholding Requirement will be a fifteen percent (15%) of the purchase price when the seller is a "foreign person" and the
264 purchase price is over \$1,000,000, regardless of use of the property. **If FIRPTA applies, even if there is an exemption, Seller and Buyer should complete**
265 **and sign the FIRPTA Addendum, OREF 093. Seller's and Buyer's Agents are not experts in FIRPTA and will not act as a transferor or transferee**
266 **agent for purposes of the Withholding Requirement. If FIRPTA may apply in this transaction, Seller and Buyer should promptly consult their own**
267 **experts familiar with the law and regulations. For further information, Seller and Buyer should go to: [http://www.realtor.org/articles/firpta-](http://www.realtor.org/articles/firpta-withholding-rate-increasing-to-15)**
268 **withholding-rate-increasing-to-15.**

269 **16. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property**
270 **Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This**
271 **provision shall not be construed to limit Buyer's right to implied new home warranties, if any, that may otherwise exist under Oregon**
272 **law.**

MISCELLANEOUS ITEMS

273
274 **17. TOWNHOME/PLANNED COMMUNITY:** Is the property a townhome or in a planned community? Yes No Unknown
275 If yes, Seller to provide Buyer with **OREF 024 Townhome/Planned Community Addendum.**

276 **18. ALARM SYSTEM:** NONE OWNED LEASED. If leased, Buyer will will not assume the lease at Closing.

277 **19. WOODSTOVE/WOOD BURNING FIREPLACE INSERT:** Does the Property contain a woodstove or wood burning fireplace insert?
278 Yes No
279 If yes, is the woodstove/wood burning fireplace insert certified? Yes No Unknown. If "No" or "Unknown," Seller to provide Buyer with
280 **OREF 046 Woodstove/Wood Burning Fireplace Insert Addendum.**

281 **20. HOME WARRANTIES:** Home warranty plans may be available to help cover homeowner costs to repair/replace certain home systems and
282 appliances. (See specific plan for details.) Will a plan be purchased for Buyer as a part of this transaction? Yes No
283 If yes, identify plan and cost: _____ \$ _____ To be paid at Closing by: Buyer Seller

284 **21. ADDITIONAL PROVISIONS:** _____
285 _____
286 _____
287 _____ For additional provisions, see Addendum _____

CLOSING/ESCROW

288
289 **22. ESCROW:** This transaction shall be Closed at **First American Title** ("Escrow"), a neutral escrow
290 company licensed and located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless otherwise specifically
291 prohibited by the U.S. Department of Veterans Affairs (Federal VA). Unless otherwise provided herein, the parties agree as follows: Seller authorizes

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials DS / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 6 of 11



Sale Agreement # **gg122117**

292 Seller's Agent's Firm to order a preliminary title report and owner's title policy at Seller's expense and further authorizes Escrow to pay out of the
293 cash proceeds of sale the expense of furnishing such policy, Seller's recording fees, Seller's Closing costs and any liens and encumbrances on the
294 Property payable by Seller on or before Closing. Buyer shall deposit with Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's
295 Closing costs, and lender's fees, if any. Real estate fees, commissions or other compensation for professional real estate services provided by
296 Buyer's or Seller's Agent's Firms shall be paid at Closing in accordance with the listing agreement, buyer service agreement or other written
297 agreement for compensation.

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

300 **24. RECEIPT FOR EARNEST MONEY:** Buyer's Agent's Firm acknowledges receipt of earnest money from Buyer in the sum of \$ 10,000.00
301 evidenced by (check all that apply):

302 **24.1** CASH Deposit in Buyer's Agent's Firm's client trust account, and Remain there until disbursement. Or thereafter be promptly deposited with
303 Escrow.

304 **24.2** CHECK Hold any earnest money that is in the form of a check undeposited until this Agreement is signed and accepted by Buyer and Seller, after
305 which time it is to be deposited within three (3) banking days of receipt as follows: In Buyer's Agent's Firm's client trust account and remain there until
306 disbursement. In Buyer's Agent's Firm's client trust account and thereafter deposit with Escrow. Deposit with Escrow.

307 **24.3** PROMISSORY NOTE (See attached OREF 060 Promissory Note).

308 **24.4** Other form of earnest money deposit: _____

309 **24.5 BUYER'S AGENT AND BUYER'S AGENT'S FIRM SHALL HAVE NO FURTHER LIABILITY TO BUYER OR SELLER REGARDING ANY**
310 **EARNEST MONEY THAT IS TRANSFERRED PURSUANT TO THE ABOVE INSTRUCTIONS.**

311 _____ **John L Scott Ashland** _____ *Danna Gibson* _____ 1/4/2018 14:47 P
312 Buyer's Agent's Firm Buyer's Agent's Signature

313 **25. EARNEST MONEY DEPOSIT INSTRUCTIONS TO ESCROW:** Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a
314 copy of this Agreement marked "rejected" by Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest
315 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
316 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
317 between Buyer and Seller), subject only to Section 40 below, you are to hold all earnest money deposits until you receive written instructions from Buyer and
318 Seller, or a final ruling from a court or arbitrator, as to disposition of such deposits.

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

329 **27.1 CLOSING:** Closing shall occur on a date mutually agreed upon between Buyer and Seller, but in no event later than 03/16/2018 ("the Closing
330 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
331 Seller acknowledge that for Closing to occur by the Closing Deadline, it may be necessary to execute documents and deposit funds in Escrow prior to that
332 date. Caveat: Section 7 requires three (3) days prior to the Closing Deadline if Escrow is to prepare a note and a deed of trust or mortgage.

333 **27.2 THE CLOSING DISCLOSURE:** Pursuant to the federal TILA-RESPA Integrated Disclosure Rules ("TRID"), Buyer and Seller will each receive a
334 federally-required document called a "Closing Disclosure", which, among other things, summarizes each party's closing costs. TRID requires that the
335 Closing Disclosure must be received by a residential loan borrower at least three (3) business days prior to "consummation" of the transaction, which in
336 most cases in Oregon will be the date on which Buyer signs the loan documents. Under certain circumstances, a change to the Closing Disclosure late in
337 the transaction could result in a delay in Closing to comply with the three business day rule. **Such a delay beyond the Closing Deadline could result in**
338 **termination of the transaction unless Seller and Buyer mutually agree to extend it.**

339 **27.3 NOTICE REGARDING TITLE INSURANCE COSTS:** The manner in which TRID requires title insurance costs to be disclosed differs from the actual
340 costs that may be charged to the parties under Oregon law. In such instances, at Closing, Escrow may issue a separate statement showing the actual costs

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

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341 for an owner's policy of title insurance and, where applicable, the lender's policy of title insurance. **Seller and Buyer are encouraged to discuss this with**
342 **Escrow prior to Closing.**

343 **28. DEED:** Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
344 trustee's or similar legal fiduciary's deed, where applicable) free and clear of all liens of record, except property taxes that are a lien but not yet
345 payable, zoning ordinances, building and use restrictions, reservations in federal patents, easements of record that affect the Property, covenants,
346 conditions and restrictions of record, and those matters accepted by Buyer pursuant to Section 9. If Buyer's title will be held in the name of more
347 than one person, see Section 39 regarding forms of co-ownership.

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

- 350 (1) by 5:00 p.m. on Closing;
- 351 (2) by _____ a.m. p.m. _____ days after Closing;
- 352 (3) by _____ a.m. p.m. on the _____ day of _____, _____.

353 If a tenant(s) is currently in possession of the Property (*check one*): Buyer will accept tenant(s) at closing; Seller shall have full responsibility
354 for removal of tenant(s) prior to closing.

355 **30. SELLER POSSESSION BEFORE/AFTER CLOSING:** In the event that Buyer and Seller agree that Seller will deliver possession before or after
356 Closing, **OREF 053 (Agreement to Occupy Before Closing)** or **OREF 054 (Agreement to Occupy After Closing)** will be attached to this Sale
357 Agreement.

DEFINITIONS/INSTRUCTIONS

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

- 360 (2) Time is of the essence of this Agreement.
- 361 (3) Except as provided in Section 9, above, all written notices or documents, required or permitted under this Agreement to be delivered to Buyer or
362 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
363 title company identified at Section 22, above, Buyer, Seller, and their respective Agents, where applicable, shall provide Escrow with their preferred
364 means of notification (e.g. email or text address, facsimile number, or mailing or personal delivery address, or other), which shall serve as the
365 primary location for receipt of all notices or documents (hereinafter, "Contact Location")
- 366 (4) Agent(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement.
- 367 (5) A "business day" shall mean Monday through Friday, except recognized state and federal holidays.
- 368 (6) Unless Seller and Buyer expressly provide otherwise, the phrase "signed and accepted" in the printed text of this Sale Agreement, or any
369 addendum or counteroffer, however designated (collectively, "the Agreement" or "the Sale Agreement"), shall mean the date and time that either the
370 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
371 the sending party, or their Agent, either by manual delivery ("Manual Delivery"), or by facsimile or electronic mail/text (collectively, "Electronic
372 Transmission"). When the Agreement is "signed and accepted" as defined herein, the Agreement becomes legally binding on Buyer and Seller, and
373 neither has the ability to withdraw their offer or counteroffer, as the case may be.
- 374 (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
375 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
376 offer or acceptance of the Agreement (such as regular mail, certified mail, or overnight delivery), they should so specify at Section 21 (Additional
377 Provisions) of this Sale Agreement.
- 378 (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
379 the date they have signed and accepted it.
- 380 (9) This Agreement is binding upon the heirs, personal representatives, successors and assigns of Buyer and Seller. However, Buyer's rights under
381 this Agreement or in the Property are not assignable without prior written consent of Seller.
- 382 (10) This Agreement may be signed in multiple legible counterparts with the same legal effect as if all parties signed the same document.
- 383 (11) Excepting only the Lead-Based Paint Contingency Period identified in Section 11, unless a different time is specified in the Agreement, all
384 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
385 that deadline, however designated.
- 386

Buyer Initials JG / Date 1/4/2018 | 14:20 PST

Seller Initials DS / Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 8 of 11



Sale Agreement # **gg122117**

387 **32. UTILITIES:** Seller shall pay all utility bills accrued to date Buyer is entitled to possession. **Buyer shall pay Seller for heating fuel/propane on**
388 **premises, at Seller's supplier's rate on the possession date.** Payment shall be handled between Buyer and Seller outside of Escrow.

389 **33. APPROVED USES:** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING
390 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT
391 AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS
392 DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE
393 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,
394 CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8,
395 OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD
396 CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A
397 LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR
398 PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING
399 PROPERTY OWNERS, IF ANY, UNDER ORS 195.300,195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS
400 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

401 **34. IRC 1031 EXCHANGE:** In the event Buyer or Seller elects to complete an IRC 1031 exchange in this transaction, the other party agrees to
402 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
403 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
404 contingency to the Closing of this transaction.

405 **35.1 LEVY OF ADDITIONAL PROPERTY TAXES:** The Property: (check one) is is not specially assessed for property taxes (e.g., farm,
406 forest 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
407 current as to income or other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the Closing of this
408 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically
409 provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest that may be
410 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the
411 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole
412 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and
413 hold Seller responsible to pay into Escrow all deferred and/or additional taxes and interest that may be levied or recaptured against the Property
414 and hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or damages
415 arising from a breach of this Section 35.1.

416 **35.2 HISTORIC PROPERTY DESIGNATION:** If the Property is or may be subject to a Historic Property local ordinance or is subject to or may
417 qualify for the Historic Property Special Property Tax Assessment under ORS 358.475 to 358.565, Seller shall provide **OREF 045 Historic**
418 **Property Addendum.**

DISPUTE RESOLUTION

419 **36. FILING OF CLAIMS:** All claims, controversies and disputes between Seller, Buyer, Agents, and/or Firms, arising under this Sale Agreement,
420 including those for rescission (hereinafter collectively referred to as "Claims"), shall be exclusively resolved in accordance with the procedures set
421 forth herein, which shall survive Closing or earlier termination of this transaction. All Claims shall be governed exclusively by Oregon law, and venue
422 shall be placed in the county where the real property is situated. Filing a Claim for arbitration shall be treated the same as filing in court for purposes
423 of meeting any applicable statutes of limitation or statute of ultimate repose, and for purposes of filing a *lis pendens*. BY CONSENTING TO THE
424 PROVISIONS HEREIN, BUYER AND SELLER ACKNOWLEDGE THAT THEY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE THE CLAIM TRIED BY A
425 JUDGE OR JURY IN STATE OR FEDERAL COURT.

426 **37. EXCLUSIONS:** The following shall not constitute Claims: (1) Any proceeding to enforce or interpret a mortgage, trust deed, land sale contract or
427 recorded construction lien; (2) A forcible entry and detainer action (eviction); (3) If the matter is exclusively between REALTORS® and is otherwise
428 required to be resolved under the Professional Standards Ethics and Arbitration provisions of the National Association of REALTORS®; (4) If the
429 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
430 mandatory mediation and/or arbitration provision; and (5) Filing in court for the issuance of provisional process described under the Oregon Rules of
431 Civil Procedure, provided, however, such filing shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures described
432 herein for the adjudication of any Claims.

433 **38.1. SMALL CLAIMS BETWEEN BUYER AND SELLER:** All Claims between Buyer and Seller that are within the jurisdiction of the Small Claims
434 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
435 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
436 Claims Department of the Circuit Court. A judgment in Small Claims Court is final and binding and there is no right of appeal.

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials SA / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 9 of 11



Sale Agreement # **gg122117**

437 **38.2. MEDIATION AND ARBITRATION BETWEEN BUYER AND SELLER:** If Buyer's and/or Seller's Agent is a member of the National
438 Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute
439 Resolution System of the National Association of REALTORS® ("the System"). If an Agent is not a member of the National Association of
440 REALTORS®, or the System is not available through the Agent's Realtor® organization, then all Claims shall be submitted to mediation through
441 the program administered by Arbitration Service of Portland ("ASP"). All Claims that have not been resolved by mediation as described herein shall
442 be submitted to final and binding arbitration in accordance the then-existing rules of ASP. The prevailing party in any arbitration between Buyer and
443 Seller shall be entitled to recovery of all reasonable attorney fees, filing fees, costs, disbursements, and mediator and arbitrator fees. Provided,
444 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
445 judge, if applicable) that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing for
446 arbitration.

447 **38.3 MEDIATION AND ARBITRATION INVOLVING AGENTS/FIRMS:** All Claims that include Agents or their Firms shall be resolved in accordance
448 with the mediation and arbitration process described in Section 38.2 above, and if applicable, the prevailing party shall be entitled to an award of
449 attorney fees, filing fees, cost, disbursements, and mediator and arbitrator fees, as provided therein.

450 **SIGNATURE INSTRUCTIONS**

451 **39. OFFER TO PURCHASE:** Buyer offers to purchase the Property upon the terms and conditions set forth in this Agreement. Buyer
452 acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer acknowledges
453 that Buyer has not relied upon any oral or written statements made by Seller or any Agents that are not expressly contained in this
454 Agreement. Neither Seller nor any Agent(s) warrant the square footage of any structure or the size of any land being purchased. If square
455 footage or land size is a material consideration, all structures and land should be measured by Buyer prior to signing or should be made
456 an express contingency in this Agreement.

457 Deed or contract shall be prepared in the name of City of Ashland.

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

460 This offer shall automatically expire on (*insert date*) January 08, 2018 at 4 a.m. p.m., (the Offer Deadline), if not
461 accepted by that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's transmission of signed acceptance. If
462 Seller accepts this offer after the Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within ____ business days
463 (two [2] ^{business days} if not filled in) after the date of Seller's acceptance by so indicating at Section 42.2. This offer may be accepted by Seller only in writing.

464 Buyer John Karns Date 1/4/2018 | 14:20 PST ____ a.m. ____ p.m. ←
City of Ashland

465 Buyer _____ Date _____, _____ a.m. ____ p.m. ←

466 Address _____ Zip _____

467 Phone Home _____ Work **(541)552-2412** E-mail **scott.fleury@ashland.or.us** Fax _____

468 This offer was submitted to Seller for signature on the _____ day of 1/8/2018 1:00pm, _____, at ____ a.m. ____ p.m.

469 By Lisa Coleman (Agent(s) presenting offer).

470 **40. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY:** Seller accepts Buyer's offer. Seller
471 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges
472 that Seller has not relied upon any oral or written statements of Buyer or of any Agent(s) that are not expressly contained in this
473 Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 25 shall be disbursed as follows after
474 deduction of any title insurance and Escrow cancellation charges: (check one) First to Seller's Agent's Firm to the extent of the agreed
475 commission just as if the transaction had been Closed, with residue to Seller, or _____.

476 Seller Harold C Hardesty Trust Date _____, _____ a.m. ____ p.m. ←

477 Seller _____ Date _____, _____ a.m. ____ p.m. ←

478 Address **262 Largent Rd** **Burbank** **Wa** Zip **99323**

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

Buyer Initials JK / _____ Date 1/4/2018 | 14:20 PST Seller Initials SF Date 1/8/2018 | 2:57 PM

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Sale Agreement # **gg122117**

480 **41. SELLER'S REJECTION/COUNTER OFFER (select only one):** Seller does not accept the above offer, but makes the attached counter
481 offer.

482 Seller rejects Buyer's offer.

483 Seller Harold C. Hardesty Trust Date 1/8/2018 | 2:57 PM PST a.m. ___ p.m. ←

484 Seller _____ Date _____ a.m. ___ p.m. ←

485 Address 262 Largent Rd Burbank Wa Zip 99323

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

487 **42.1 BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges receipt of a copy of Seller's signed response to Buyer's offer. (Note: The date and time
488 of Buyer's signed acknowledgment below is not the moment this Agreement becomes binding upon the parties. See, Section 31 (6), above.)

489 Buyer _____ Date _____ a.m. ___ p.m. ←
City of Ashland

490 Buyer _____ Date _____ a.m. ___ p.m. ←

491 **42.2 SELLER'S LATE ACCEPTANCE:** If Seller signed where indicated at Section 40 accepting Buyer's offer, but transmitted it to Buyer or Buyer's
492 Agent after the Offer Deadline identified at Section 39, above, Buyer (select only one) agrees does not agree, to be bound thereby. **(The**
493 **failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)** If Buyer checks the box agreeing to be
494 bound by Seller's late acceptance occurring after the Offer Deadline, this Sale Agreement shall become binding on all parties only when Buyer(s)
495 has/have signed below and transmitted it to Seller or Seller's Agent.

496 Buyer _____ Date _____ a.m. ___ p.m. ←
City of Ashland

497 Buyer _____ Date _____ a.m. ___ p.m. ←

498 If Buyer checked the box and signed where indicated in this Section 42.2, agreeing to be bound by Seller's late acceptance of Buyer's offer, Buyer or
499 Buyer's Agent must complete the information below and thereafter promptly transmit this Agreement to Seller or Seller's Agent:

500 Enter Date, Time, and Method of Transmission of Buyer's Acceptance: _____ ;

501 Enter Identity of Sender: _____

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

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials SH / _____ Date 1/8/2018 | 2:57 PM

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 11 of 11



Sale Agreement # **gg122117**
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: **Harold C Hardesty Trust**

4 The real property described as: **1291 Oak St, Ashland, OR 97520-1058**

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

6 **1) Buyer to have 30 days due diligence in which to research the property**

7 **2) Seller to perform and pay for a phase 1 environmental assessment on the property including the section where large vehicles were**
8 **parked in the past.**

9 **a) Assessment to be performed by an Oregon licensed Environmental Consultant**

10 **b) Assessment to be ordered by seller within 7 business days of mutual agreement of offer**

11 **3) Buyer and seller to negotiate terms if the consultant recommends a phase 2 assessment**

12 **4) Offer conditioned upon the Ashland City Council's approval of the purchase by close of escrow.**

13 **5) Inspection contingency described on lines 180-196 of the Sale Agreement may include Professional House Inspection, Investigations**
14 **with Jackson County, and any other inquiries Buyer deems necessary or appropriate. Cancellation during this period is at the full**
15 **discretion of Buyer with earnest money being fully refundable during this period.**

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29 Buyer Signature *John Karns* Date 1/4/2018 | 14:20 PST a.m. p.m. ←
City of Ashland

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

31 Seller Signature *Harold C Hardesty* Date 1/8/2018 | 2:57 PM PST a.m. p.m. ←
Harold C Hardesty Trust

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

33 Buyer's Agent **Danna Gibson** Seller's Agent **Lisa Coleman**

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Sale Agreement # **gg122117**

PROFESSIONAL INSPECTION ADDENDUM

1 Buyer(s) City of Ashland

2 Seller(s) Harold C Hardesty Trust

3 Property Address 1291 Oak St, Ashland, OR 97520-1058

PROFESSIONAL INSPECTIONS ARE ADVISABLE

5 This Addendum does not contain a complete list of all inspections that may be available in your area or that may be desirable. Additional inspections
 6 may be included. The land and dwelling may be inspected as indicated below. The Real Estate Sale Agreement is contingent upon the Buyer's
 7 approval of the specified inspections, tests and reports within the time requirements of this Addendum. Buyer shall promptly provide a copy of all
 8 reports to Seller only **if requested** by Seller. Unless otherwise indicated, all reports shall be ordered by the party responsible for payment and shall
 9 be in writing. **Except as modified herein, all provisions of the Real Estate Sale Agreement remain unchanged.**

REAL ESTATE AGENTS ARE NOT QUALIFIED LICENSED INSPECTORS AND DO NOT PERFORM THE INSPECTIONS, TESTS AND REPORTS.

	Perform Inspection or test Ordered & paid by				Perform Inspection or test Ordered & paid by				
13 Professional Home Inspection	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Plumbing	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller
14 Asbestos	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Radon	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller
15 Electrical	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Roof	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller
16 Exterior Siding	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Structural	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller
17 Fireplace/Chimney	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Toxic/Hazardous Substances	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller
18 Heating/Cooling	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Underground Sprinklers	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller
19 Land Survey	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Underground Storage Tank	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller
20 Mold/Mildew	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller	Sewer Scope	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller
21 Pest/Dry Rot	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Buyer	<input type="checkbox"/> Seller		<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller
22 Other						<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Buyer	<input type="checkbox"/> Seller

TIME REQUIREMENTS

24 Time is of the essence. If Buyer needs additional time, Buyer should immediately attempt to secure Seller's written consent to an extension of time
 25 before expiration of the time period described below. The time period agreed upon below may be shortened or extended only by written
 26 agreement between Buyer and Seller. Expiration of the time period shall occur at 5:00 p.m. of the final day of that period.

1. Buyer shall have 15 business days (ten [10] if not filled in), after the date Buyer and Seller have signed and accepted this Sale Agreement (hereinafter "the Inspection Period"), in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any inspection report. Buyer shall not provide all or any portion of the inspection reports to Seller unless requested by Seller or Seller's Agent. However, at any time during this transaction, or promptly following termination, upon request by Seller or Seller's Agent, Buyer shall promptly provide a copy of such reports, or portions of reports, as requested. During the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a written agreement has already been reached with Seller regarding Buyer's requested repairs, at any time during the Inspection Period, Buyer may notify Seller or Seller's Agent, in writing, of Buyer's unconditional disapproval of the Property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded, and this transaction shall be terminated. **If Buyer fails to provide Seller or Seller's Agent with written unconditional 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 condition of the Property. Note that if, prior to expiration of the Inspection Period, written agreement is reached with Seller regarding Buyer's requested repairs, the Inspection Period shall automatically terminate, unless the parties agree otherwise in writing.**
2. **IF BUYER DELIVERS WRITTEN UNCONDITIONAL DISAPPROVAL TO SELLER OR SELLER'S AGENT** of any requested inspections, tests, reports or other services selected above before expiration of the Inspection Period (or such other period as agreed upon between the parties in writing), this transaction shall be deemed to be automatically terminated and Buyer's earnest money shall be promptly refunded.
3. **IF BUYER FAILS TO DELIVER WRITTEN UNCONDITIONAL DISAPPROVAL TO SELLER OR SELLER'S AGENT** before expiration of the Inspection Period (or such other period as agreed upon between the parties in writing), this inspection contingency shall be deemed to have been automatically waived by Buyer, and Buyer shall be deemed to have accepted the Property in its present condition.

45 DocuSigned by: John Earns Date 1/4/2018 | ← 14:20 PST
 46 Buyer City of Ashland Seller Harold C Hardesty Trust Date 1/8/2018 | ← 2:57 PM
 47 Buyer _____ Date _____ ← Seller _____ Date _____ ←
 48 Buyer's Agent Danna Gibson Seller's Agent Lisa Coleman
 49 Buyer's Agent's Firm John L Scott Ashland Seller's Agent's Firm John L Scott

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OREF 058



Sale Agreement # gg122117

PRIVATE WELL ADDENDUM TO REAL ESTATE AGREEMENT

1	Buyer(s) <u>City of Ashland</u>
2	Seller(s) <u>Harold C Hardesty Trust</u>
3	Property Address <u>1291 Oak St, Ashland, OR 97520-1058</u>

4 **OREGON LAW:** If this transaction includes a well that supplies domestic water to the Property, Oregon law requires that Seller shall have
 5 the well tested for arsenic, nitrates and total coliform bacteria (ORS 448.271). For more information, see the Oregon.gov webpage titled
 6 "Domestic Well Testing and Real Estate Transactions". Note: This only applies to wells that have been made operational to supply
 7 groundwater for domestic purposes. Capped domestic wells on unimproved lots are not required to be tested. (See
 8 <https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/Rules/Documents/61-0305.pdf>).

REPRESENTATIONS, TESTING, TERMINATION & COOPERATION

- 10 1. **SELLER REPRESENTATIONS REGARDING WELL AND WELL WATER:** Seller represents to Buyer that to the best of Seller's
 11 knowledge: (a) The domestic well has provided an adequate supply of water to the Property throughout the year for household use;
 12 (b) The water is fit for human consumption; and (c) The continued use of the well and water complies with all applicable state and
 13 federal laws. No other representations are made concerning the well and well water supply, except as expressly stated elsewhere in
 14 this Agreement and the Seller's Property Disclosure Statement, if applicable.
- 15 2. **SELLER TESTING DUTIES:** Within 5 business days, (five [5] if not filled in) after Buyer and Seller have signed and accepted
 16 this Agreement, Seller shall, at Seller's cost: (a) Have the well water testing ordered with a laboratory accredited according to Oregon
 17 Environmental Laboratory Accreditation Program (ORELAP) standards, for arsenic, nitrate, and total coliform bacteria; (b) Submit,
 18 promptly upon receipt, the results to buyer and the Oregon Healthy Authority (the "Authority"). (c) Complete and submit to the
 19 Authority its Water Systems Data Sheet ("Data Sheet") which must include: (i) Copies of the arsenic, nitrate, and total coliform
 20 bacteria lab slips, and (ii) The Water Resources Department well identification number, description of the Property, and location,
 21 identifying the street address, city, state, and zip code, together with the township, range, section number. (Note: (a) If the well is in a
 22 designated area of public health concern, the Authority may require additional testing; (b) The lab tests may not be waived, even if
 23 Buyer agrees not to have the well tested; (c) If the well is not located on the Property, but it includes a legal interest to a well on
 24 adjacent property [e.g. an easement], the legal interest would be considered part of the Property that is the subject of this
 25 transaction, and the preceding testing and submission requirements are required.)
 26 See: [https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/SourceWater/DomesticWellSafety/Pages/Testing-](https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/SourceWater/DomesticWellSafety/Pages/Testing-Regulations.aspx)
 27 [Regulations.aspx](https://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/SourceWater/DomesticWellSafety/Pages/Testing-Regulations.aspx) .
- 28 3. **BUYER TESTING:** Within 10 business days, (five [5] if not filled in) after Buyer and Seller have signed this Agreement, Buyer
 29 may, at Buyer's expense, have the well water testing ordered with a qualified professional testing service. (See Section 8 below for
 30 selected test, if any.)
- 31 4. **BUYER RIGHT OF TERMINATION:** Within three (3) business days after Buyer's receipt of all written reports from Buyer's and Seller's
 32 tests, Buyer shall have the absolute right to terminate this transaction by delivering to Seller or Seller's Agents: (a) Written notice of
 33 intent to declare an unconditional termination together with a list of substantial deficiencies identified by Buyer; and (b) Copies of all
 34 test reports received by Buyer. Buyer and Seller shall thereafter have 5 business days (two [2] if not filled in) to reach written
 35 agreement as to the method, cost and financial responsibility for correcting the substantial deficiencies identified by Buyer (the
 36 "Negotiation Period"). If the parties are unable to timely reach a written agreement by 5:00 p.m. on the last day of the Negotiation
 37 Period, all earnest money deposits shall be promptly refunded to Buyer, and this transaction shall be terminated. Notwithstanding
 38 the preceding, Buyer shall have no obligation to reach any agreement with Seller during the Negotiation Period.
- 39 5. **WELL REGISTRATION:** In the event any wells located upon the Property are not currently registered as a part of the Oregon's Well
 40 Identification Program, Seller agrees to assist Buyer, at Buyer's expense, in registering them. The preceding sentence shall survive
 41 Closing of this transaction. See, http://www.oregon.gov/owrd/pages/gw/well_id.aspx

Buyer Initials JL / DS Date 1/4/2018 | 14:20 PST

Seller Initials SH / DS Date 1/8/2018 | 2:57 PM

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Sale Agreement # gg122117

WELL INFORMATION AND ADDITIONAL TESTS

WELL INFORMATION PROVIDED BY SELLER;

- 6. Seller shall provide Buyer with the following information regarding the well located on or serving the Property:
 - well logs (*specify*) _____
 - well test reports (*specify*) _____
 - other reports (*specify*) _____
 - none. Seller has no documents regarding the well.

PROFESSIONAL WELL TESTING:

- 7. Seller agrees, at Seller's expense, to have the well tested for arsenic, nitrates and total coliform bacteria and such matters as are required by the Oregon Health Division (in accordance with section 2 above).
- 8. Buyer elects to have the following additional professional tests performed:

<input checked="" type="checkbox"/> Well flow test	<input checked="" type="checkbox"/> Buyer's expense	<input type="checkbox"/> Seller's expense
<input type="checkbox"/> Lead test	<input type="checkbox"/> Buyer's expense	<input type="checkbox"/> Seller's expense
<input type="checkbox"/> Additional water quality tests:	<input type="checkbox"/> Buyer's expense	<input type="checkbox"/> Seller's expense
<input checked="" type="checkbox"/> Other (<i>specify</i>) <u>Buyer to order and pay for top 35</u>		
	<input type="checkbox"/> Buyer's expense	<input type="checkbox"/> Seller's expense

none. (Buyer should seek competent professional advice before checking this option. Buyer's rights to terminate this transaction based upon any test report showing a substantial deficiency in quantity or quality of well water are set forth in Section 4 above. Buyer should review them carefully.)

TIME IS OF THE ESSENCE

- 9. All professional tests, inspections or reports agreed to be performed in this Addendum shall be ordered by the party responsible for paying for them within 5 business days (five [5] if not filled in) after the date both parties have signed and accepted the Sale Agreement.
- 10. Buyer and Seller shall use their best efforts to obtain the required or selected tests, inspections or reports in a timely manner. **Completed tests, inspections or reports shall be submitted to the other party within forty-eight (48) hours after receipt.**

BUYER'S ACKNOWLEDGMENT

Buyer acknowledges that the Property is served by one or more private wells. Buyer understands that while Seller has represented that, to the best of Seller's knowledge, the private well(s) located on or serving the Property has/have provided an adequate supply of water throughout the year for household use, and, to the best of Seller's knowledge, is/are fit for human consumption, this is not a warranty or guarantee. Natural and man-made events can and do occur that may quickly change well water quality and quantity. Events such as development and drought can affect the quality and quantity of well water. Any well test is merely a reflection of the condition of the well at that time, and is not a guarantee of a well's future performance. All well tests, inspections or reports should be viewed in this light. Buyer acknowledges that Buyer has not received or relied upon any oral or written statements regarding the well(s) made by any real estate agent not expressly contained in the Real Estate Sale Agreement or this Addendum. Buyer should secure expert advice. Your real estate agent is not an expert in well water quality or quantity.

DocuSigned by: Buyer <u>John Karns</u> Date <u>1/4/2018</u> ← 14:20 PST <small>City of Ashland</small>	DocuSigned by: Seller <u>Harold C Hardesty, Trust</u> Date <u>1/8/2018</u> 2:57 PM PST <small>3E18F8380A81463...</small>
Buyer _____ Date _____ ←	Seller _____ Date _____ ←
Buyer's Agent <u>Danna Gibson</u>	Seller's Agent <u>Lisa Coleman</u>
Buyer's Agent's Firm <u>John L Scott Ashland</u>	Seller's Agent's Firm <u>John L Scott</u>

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Sale Agreement # gg122117

ONSITE SEWAGE SYSTEM ADDENDUM TO REAL ESTATE SALE AGREEMENT

1 Buyer(s) City of Ashland

2 Seller(s) Harold C Hardesty Trust

3 Property Address 1291 Oak St, Ashland, OR 97520-1058

4 **Buyer and Seller hereby agree the following shall become a part of the Real Estate Sale Agreement.**

5 **1. DEFINITION OF ONSITE SEWAGE SYSTEMS:** Generally, onsite sewage (or "wastewater") systems collect and treat wastewater and
 6 sewage from residences that are not connected to public or community systems. The generic term "septic system," is commonly used to
 7 describe them. They may include gravity flow systems, sand filter systems, alternative technology treatment systems, seepage pits,
 8 cesspools and other disposal systems. All such systems shall hereinafter collectively be referred to as an "onsite
 9 sewage system" or "system". For more information go to Oregon Septic Smart web site:
 10 <http://www.oregon.gov/DEQ/WQ/pages/onsite/septicsmart.aspx>.

11 **2. NOTICES:** (a) Inspections of onsite sewage systems must be performed by a DEQ certified professional; (b) There may be more than
 12 one onsite sewage system on a property; (c) Not all elements of the onsite sewage system may be located on the property they service; (d)
 13 Oregon DEQ may require decommissioning of abandoned onsite sewage systems.

14 **3. SELLER REPRESENTATIONS REGARDING ONSITE SEWAGE SYSTEM:** Seller represents that to the best of Seller's knowledge,
 15 the onsite sewage system serving the Property is: (a) Operating properly; and (b) Complies with all applicable local, state and federal laws.
 16 These representations shall be in addition to any others made by Seller in the Sale Agreement, other Addenda, and Seller's Property
 17 Disclosure Statement, if any.

18 **4. ONSITE SEWAGE SYSTEM INFORMATION PROVIDED BY SELLER:** Seller agrees to provide Buyer, or Buyer's Agent, with all
 19 written documentation regarding the onsite sewage system, including all inspections/testing done within the last six (6) months, existing
 20 maintenance contracts for the onsite sewage system (*which may be a DEQ requirement for sand filter and alternative technology systems*),
 21 and any other material information regarding the system within 5 business days (three [3] if not filled in) after Buyer and Seller have
 22 both signed and accepted the Sale Agreement.

23 **5. PROFESSIONAL INSPECTIONS/TESTS/PUMPING/CLEANING/ REQUESTED BY BUYER:** Buyer requests the following services
 24 (*hereinafter collectively referred as "Service" or "Services"*) be performed on the onsite sewage system (*check all boxes that apply*):

- 25 Inspections/Tests (*specify*) Tank, field and all related equipment/systems to the septic
 26 Seller pays Buyer pays
- 27 Pumping/Cleaning (*specify*) _____
 28 Seller pays Buyer pays
- 29 Other (*specify*) _____
 30 Seller pays Buyer pays
- 31 None. (**Buyer should seek competent professional advice before checking this option. Buyer's rights to terminate this**
 32 **transaction based upon any test report showing a substantial deficiency in the onsite sewage system are set forth in**
 33 **section 6 below. Buyer should review them carefully.**)

34 The party responsible for paying the above-selected Service shall promptly order it and promptly share all results (collectively "Documents
 35 and Information") with the other party.

36 **6. BUYER'S RIGHT TO TERMINATE TRANSACTION:** Buyer shall have 10 business days (ten [10] if not filled in), after the date
 37 Buyer has received any Documents and Information concerning the onsite sewage addendum from Seller (hereinafter "the System
 38 Contingency Period"), in which to complete all negotiations with Seller regarding any matters disclosed in any Documents and Information
 39 concerning the onsite sewage system. However, during the System Contingency Period, Seller shall not be required to modify any terms of
 40 this Agreement already reached with Buyer. Unless a written and signed modification is reached, at any time during the System
 41 Contingency Period, Buyer may notify Seller or Seller's Agent, in writing, of Buyer's unconditional disapproval of the system based upon
 42 any Documents and Information. In such case, all earnest money deposits shall be promptly refunded and this transaction shall be terminated.

Buyer Initials JL / _____ Date 1/4/2018 | 14:20 PST

Seller Initials _____ / _____ Date _____

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Sale Agreement # **gg122117**

43 Buyer shall promptly provide Seller with a copy of all Documents and Information not previously turned over to Seller. If Buyer fails to
44 provide Seller or Seller's Agent with written unconditional disapproval by 5:00 p.m. of the final day of the System Contingency
45 Period, Buyer shall be deemed to have accepted the condition of the onsite sewage system. Note that if, prior to expiration of the
46 System Contingency Period, written agreement is reached with Seller regarding ALL Buyer's requested repairs to the onsite sewage
47 system, the System Contingency Period shall automatically terminate, unless the parties agree otherwise in writing. Termination of
48 this transaction shall not excuse either party from paying for any Service they agreed to be responsible for in Section 5, above.

49 **7. BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that by closing this transaction, it shall mean that Buyer is satisfied with all
50 Documents and Information, received pursuant to this Onsite Sewage System Addendum. Buyer understands that while Seller has made
51 certain representations regarding the condition of the onsite sewage system, they do not represent a guarantee or warranty of future
52 performance. Events may occur that can change the condition of the system after it has been inspected. All Documents and Information
53 and other such information should be viewed in this light. Buyer acknowledges that Buyer has not received or relied upon any oral or
54 written statements regarding the onsite sewage system made by Seller or any real estate agent not expressly contained in the Real Estate
55 Sale Agreement or this Addendum. Neither Seller's nor Buyer's Agents licensees are experts in onsite sewage systems and should not be
56 relied upon to provide opinions, advice or information concerning their current condition or future performance.

57 Buyer DocuSigned by: John Karns Date 1/4/2018 | 14:20 PST ← Seller DocuSigned by: Harold C Hardesty, Trust Date 1/8/2018 | 2:57 PM PST ←
City of Ashland 3E18F858CA61465...

58 Buyer _____ Date _____ ← Seller _____ Date _____ ←

59 Buyer's Agent Danna Gibson Seller's Agent Lisa Coleman

60 Buyer's Agent's Firm John L Scott Ashland Seller's Agent's Firm John L Scott

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Sale Agreement # **gg122117**

PROMISSORY NOTE FOR EARNEST MONEY

1 Buyer(s) City of Ashland

2 Seller(s) Harold C Hardesty Trust

3 Property Address 1291 Oak St, Ashland, OR 97520-1058

4 **[This Promissory Note ("Note") should be used in conjunction with "Receipt For Earnest Money" Section of Sale Agreement]**

5 Buyer(s): City of Ashland

6 jointly and severally promise to pay to:

7 Seller(s): Harold C Hardesty Trust

8 the sum of \$ 10,000.00

9 1) Upon redemption of this Note, check shall be made payable to (*select only one*):

10 Real Estate Firm Trust Account: _____

11 Seller(s): Harold C Hardesty Trust

12 Escrow / Title Company: First American Title

13 2) This Note is due and payable on the following Due Date (*select only one*): 10 **business** **calendar** days (three [3]

14 if not filled in) after Seller and Buyer have signed and accepted this Real Estate Sale Agreement;

15 Date _____

16 3) If this Note is not paid on or before the Due Date, Buyer(s) shall pay interest at the rate of nine percent (9.00%) per annum on the unpaid

17 balance from the Due Date until it is paid in full. **BUYER(S) UNDERSTAND(S) THAT TIME IS OF THE ESSENCE, AND THAT THE**

18 **FAILURE TO PAY THIS NOTE WHEN DUE MAY ALSO CONSTITUTE A DEFAULT UNDER THE REAL ESTATE SALE AGREEMENT**

19 **WITH SELLER.**

20 4) This Note is hereby incorporated into and made a part of the Real Estate Sale Agreement between Seller(s) and Buyer(s). In the event of

21 any dispute between said Seller and Buyer, the mediation, arbitration and attorney fee provisions therein shall expressly apply. If this

22 Note is for \$10,000 or less, notwithstanding the dispute resolution provisions of the Real Estate Sale Agreement, Seller may, but shall not

23 be required, to enforce collection in Small Claims Court.

24 5) If payment is not made on or before the Due Date, and this Note is being held by Seller's or Buyer's Agent, said Agent, or Agent's

25 Principal Broker, shall, upon demand, turn it over to Seller for enforcement. It is expressly understood and agreed that neither

26 Agents, nor Agents' Principal Brokers, nor their respective Firms, its owners, officers or directors, licensees, employees or

27 representatives, shall have any duty, responsibility or liability to Seller(s) to enforce collection of this Note, nor for any fees or costs

28 associated therewith.

29 DocuSigned by: John Karns Date 1/4/2018 | ← 14:20 PST
 Buyer City of Ashland Seller Harold C Hardesty Trust Date 1/8/2018 | ← 2:57 PM

30 Buyer _____ Date _____ ← Seller _____ Date _____ ←

31 Buyer's Agent Danna Gibson Seller's Agent Lisa Coleman

32 Buyer's Agent's Firm John L Scott Ashland Seller's Agent's Firm John L Scott

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OREF 060
Harold Hardesty