



PURCHASE AND SALE AGREEMENT COVER SHEET

The Tree Farm LLC
409 NW Franklin
Bend, Oregon 97703
Telephone (541) 382-1662 Fax (541) 385-3285

Sale Agreement No. _____

NOTICE TO PURCHASER/BUYER (Pursuant to ORS 92.430)

BY SIGNING THIS AGREEMENT YOU ARE INCURRING A CONTRACTUAL OBLIGATION TO PURCHASE AN INTEREST IN LAND. HOWEVER, YOU HAVE FIVE (5) BUSINESS DAYS AFTER SELLER SIGNS THIS AGREEMENT TO CANCEL THE AGREEMENT BY WRITTEN NOTICE TO THE SELLER OR THE SELLER'S AGENT VIA EMAIL (lauri@thegarnergrou.com) OR AT THE FOLLOWING ADDRESS:

Lauri Miller, Broker
Harcourts The Garner Group Real Estate
2762 NW Crossing Drive #100
Bend, Oregon 97703

BEFORE EXECUTING THIS AGREEMENT, OR BEFORE THE FIVE-DAY CANCELLATION PERIOD ENDS, YOU SHOULD DO THE FOLLOWING:

- (1) CAREFULLY EXAMINE THE PUBLIC REPORT, IF ANY, ON THE SUBDIVISION OR SERIES PARTITION AND ANY ACCOMPANYING INFORMATION DELIVERED BY THE SELLER.
- (2) IF FINANCING YOUR PURCHASE, INQUIRE OF YOUR LENDER AS TO WHETHER YOU CAN GET ADEQUATE FINANCING AT AN ACCEPTABLE INTEREST RATE.
- (3) INQUIRE OF THE SELLER AND THE LENDER WHAT THE AMOUNT OF THE CLOSING COSTS WILL BE.



PURCHASE AND SALE AGREEMENT

The Tree Farm LLC
409 NW Franklin
Bend, Oregon 97703
Telephone (541) 382-1662 Fax (541) 385-3285

Sale Agreement No. _____

ACKNOWLEDGMENT

FINAL ACKNOWLEDGMENT OF AGENCY RELATIONSHIPS. Both BUYER and SELLER acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction for the subject property address or legal description set out in Paragraph 1.

- (a) Lauri Miller (Name of Listing Licensee), Oregon Lic. #201207570 of Harcourts The Garner Group Real Estate, 2762 NW Crossing Drive #100, Bend, OR 97703. Company Lic. #201210621. Phone 541-383-4360, Fax 541-330-5596, Email lauri@thegarnergroupp.com.
- (b) _____ (Name of Selling Licensee if not the same), Oregon Lic. # _____ of _____ (Name of Real Estate Firm), Selling Firm Office Address _____ Company Lic. # _____, Phone _____ Fax _____ Email _____ is/are the agent of the BUYER exclusively ("BUYER Agency").
 - (1) _____ Harcourts The Garner Group Real Estate is the agent of both the Buyer and the Seller as a Disclosed Limited Agent. Buyer and Seller acknowledge that said principal broker shall become the Disclosed Limited Agent for both Buyer and Seller as more fully explained in the Disclosed Limited Agency Agreements that have been reviewed and signed by Buyer, Seller and Licensee(s). Buyer shall sign this acknowledgment at the time of signing this Agreement before submission to Seller. Seller shall sign this acknowledgment at the time this Agreement is first submitted to Seller, even if this Agreement will be rejected or a counter offer will be made. Seller's signature to this Final Agency Acknowledgment shall not constitute acceptance of the Agreement or any terms therein.
 - (2) _____ of _____ (Cooperating Office) is the Designated Buyer Agent exclusively as buyer's agent.

BUYER shall sign this acknowledgment at the time of signing this Agreement before submission to SELLER. SELLER shall sign this acknowledgment at the time this Agreement is first submitted to SELLER, even if this Agreement will be rejected or a notice of duplicate offer will be made. SELLER's signature to this Final Agency Acknowledgment shall not constitute acceptance of the Agreement or any terms therein.

SELLER: The Tree Farm LLC

By: _____ Date: _____
Kirk E. Schueler, President of Brooks Resources Corporation, Managing Member of West Bend Property Company II, LLC, Managing Member of The Tree Farm LLC

➡ BUYER: _____ Date: _____

➡ BUYER: _____ Date: _____

THIS AGREEMENT IS INTENDED TO BE A LEGAL AND BINDING CONTRACT. IF IT IS NOT UNDERSTOOD, SEEK COMPETENT LEGAL ADVICE BEFORE SIGNING.

1. (please print) _____, BUYER(s) applies to purchase from The Tree Farm LLC, (SELLER) the following described real property upon the terms and conditions set forth below:

Lot _____, The Tree Farm, (the "Property").

2. The purchase price and terms of payment shall be as follows:

TOTAL PURCHASE PRICE	\$ _____
Earnest Money; Paid herewith in the form of a promissory note*	\$ <u>25,000.00</u>
Balance of down payment (if cash sale, enter "None")	\$ _____
Balance of Purchase Price	\$ _____

(a) _____ Payable in all cash at Close of Escrow. Buyer to provide verification ("Verification") of readily available funds as follows: ___ (x) Buyer has attached a copy of the Verification with the submission of this Agreement; ___ (x) Buyer will provide Seller with the Verification within five business days after this Agreement has been signed and accepted.

(b) _____ Balance of purchase price to be financed as follows: ___ (x) Conventional; or, ___ (x) Other (Describe) _____ (hereinafter "Loan Program"). BUYER agrees to seek financing through a lending institution ("Lender") participating in the Loan Program identified above. If BUYER is financing any portion of the Purchase Price, this transaction is subject to the following financing 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.

Pre-Approval Letter. ___ (x) Buyer has attached a copy of a Pre-Approval Letter from Buyer's Lender or mortgage broker; ___ (x) Buyer does not have a Pre-Approval Letter at the time of making this offer and agrees to secure a Pre-Approval Letter within five business days after this Agreement has been signed and accepted.

*Earnest Money is to be paid in the form of a promissory note and made payable to Seller.



If SELLER accepts this offer, then BUYER shall deposit any Earnest Money funds redeemed under a promissory note with AmeriTitle (title and escrow company) six business days after SELLER's acceptance of this offer in writing.

Once converted to cash, the Earnest Money shall be non-refundable except as expressly provided in this Agreement.

3. If this application is accepted by The Tree Farm LLC, the parties shall deliver the following to AmeriTitle South, ATTN: Diane Sullivan, Escrow Agent:

(a) SELLER shall deliver (i) an executed warranty deed in recordable form conveying the Property free and clear of all liens and encumbrances except those imposed by the specific covenants, conditions and restrictions for THE TREE FARM, design and landscaping guidelines, easements of record and current taxes not yet due; and (ii) a Title Report. If BUYER performs BUYER'S obligations under this Agreement, such recorded deed shall be delivered to BUYER within sixty (60) days from Close of Escrow.

(b) BUYER shall deliver (i) the balance of the Purchase Price on or before Close of Escrow; and funds sufficient to cover BUYER's share of prorated expenses, closing costs and lender's fees, if any.

4. BUYER shall be entitled to possession from and after the date of closing. Taxes and assessments shall be prorated as of the date of closing. For purposes of this application, "date of closing" will be on or before _____.
5. After closing, SELLER shall furnish to BUYER a standard form title insurance policy insuring that title to the Property is vested as provided in Paragraph 1, free and clear of all encumbrances, except the usual printed exceptions in such policies, and those encumbrances listed in subparagraph 3(a). If BUYER desires extended coverage, BUYER shall pay the additional cost associated therewith.
6. Time is of the essence of BUYER'S performance under this agreement. If SELLER does not accept this application within 10 days of the date hereof, or if The Tree Farm LLC should fail to comply with any provision hereof within 10 days of written notice by BUYER of such breach, the earnest money paid herewith and any additional down payment deposited by BUYER shall be refunded and the same shall be BUYER'S sole remedy. If, however, this application is accepted by SELLER and SELLER complies with the terms hereof, but BUYER neglects or refuses to comply with any provision hereof other than subparagraph 5(b) or has failed to deliver to Escrow Agent the items described in said subparagraph by the date stated therein and fails to do so within 10 days after written notice from the Escrow Agent that it is prepared to close the sale except for the lack of such delivery, then the earnest money herein receipted for and any additional earnest money shall be forfeited to SELLER as liquidated damages and this contract shall be of no further binding effect on either party. The parties have agreed that the amount of liquidated damages is reasonable in the light of the anticipated or actual harm caused by the breach, the difficulties of proof of loss, and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy. BUYER hereby acknowledges and agrees to the terms of this Paragraph 6: _____, _____ (initials). 
7. ESCROW INSTRUCTIONS – After receipt of the items described in Paragraph 3, all properly drawn and executed in accordance with the terms hereof, the Escrow Agent shall record the Deed and deliver the title insurance policy as described in Paragraph 5. Buyer shall have five (5) business days within which to notify Seller, in writing, of any matters disclosed in the Report and CC&Rs that is/are unacceptable to Buyer. Buyer's failure to timely object, in writing, to any matters disclosed in the Report and/or CC&Rs shall constitute acceptance of the Report and/or CC&Rs. The escrow charge, if any, shall be evenly divided between the parties. Recording fees shall be for the account of BUYER, and title insurance premiums for the account of SELLER.
8. SELLER will install and complete roads, water, and utilities to property line of the Property.
9. BUYER hereby acknowledges receipt of the following documents: _____, _____(initials) 
 - (a) The Tree Farm Covenants, Conditions, Restrictions and Easements, and Supplements (if applicable)
 - (b) The Tree Farm Homeowners Association Bylaws
 - (c) The Tree Farm Design Guidelines
 - (d) The Tree Farm Affirmations
 - (e) Tree Farm HOA Approved 2017 Budget
 - (f) Septic Site Evaluation Summary Form
10. ENTIRE AGREEMENT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing signed by BUYER and SELLER.
11. ATTORNEYS' FEES: In any action, proceeding, or arbitration between the parties arising out of this Agreement, including any action in U.S. Bankruptcy Court, the prevailing party shall be entitled to reasonable attorney fees and costs from the non-prevailing party.
12. _____(x) See addendum _____ for other conditions, attached and made a part of this application.
13. BUYER REPRESENTATION: As of the date signing this Agreement, BUYER has sufficient funds available to close this transaction in accordance with the terms proposed herein, and is not relying on any contingent source of funds (e.g. from loans, gifts, sale or closing of property, 401K disbursements, etc.), unless otherwise disclosed in this Agreement.
14. COMPLETE AGREEMENT; NO REPRESENTATIONS; UTILITIES; CONSTRUCTION; ARCHITECTURAL REVIEW.
 - 14.1 BUYER and SELLER, and the agent for each, represent that this application sets forth the entire understanding between the parties and that no representations, oral or written, have been relied upon which are not set forth in this application or contained in documents listed in Paragraph 9 furnished to BUYER by SELLER'S agent. BUYER understands and agrees that real estate agents are not authorized to make representations for SELLER. BUYER understands and acknowledges that any statements contained in marketing literature (including SELLER's website), flyers, advertisements and listing agreements are not representations and are all subject to

change, and, therefore, are not to be interpreted to expand or modify any terms or conditions contained in this Agreement.

14.2 BUYER understands that the location of utility lines and utility improvements (such as, but not limited to, junction boxes, transformers, or pedestals) may vary from locations shown on the final Plat. Future construction or grading or excavation of the Property by or for BUYER, if not correctly engineered, could disrupt drainage and cause flooding; SELLER shall not be responsible if the grading is altered by or for BUYER after Closing. The terms and provisions of this Section 14.2 shall survive the closing and conveyance of the Property. Seller makes no representations or warranties as to when, or if, facilities, including roads and utilities serving lots or portions of The Tree Farm other than the Property, may be completed.

14.3 BUYER acknowledges and recognizes that BUYER may be purchasing the Property prior to completion of construction of all improvements to The Tree Farm, and there may be certain inconveniences, disruption, noise, dust, dangers, lack of access and annoyances until construction is completed, and BUYER waives all claims with respect thereto. BUYER agrees that if BUYER, his or her family, guests, employees, contractors, agents or invitees enter onto any area of construction, they do so at their own risk, and neither SELLER, nor SELLER's contractors, subcontractors, agents or employees shall be liable for any damage, loss or injury to such persons. BUYER shall inform his or her family, guests, employees, contractors, agents and invitees of the foregoing. The provisions of this Section 14.3 shall survive the closing and conveyance of the Property.

14.4 BUYER acknowledges that all improvements of any type whatsoever, whether permanent or temporary, including, without limitation, any residence, building or other structure erected on the Property and all grading, landscaping, fencing and other improvements thereon may only be undertaken or constructed after approval thereof by the Architectural Review Committee of the homeowners' association formed pursuant to The Tree Farm Declaration of Covenants, Conditions, Restrictions and Easements..

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

16. DISPUTE RESOLUTION

16.1.1 Required Procedure. SELLER and BUYER each agree that all claims, controversies, or disputes, whether they are statutory, contractual, tort claims and/or counterclaims between SELLER and BUYER which arise out of or are related to this Agreement or which relate to the interpretation or breach of this Agreement or otherwise arise regarding the property to be sold pursuant to this Agreement or regarding The Tree Farm (collectively referred to as "claims") shall be resolved in accordance with the procedures specified herein. The following matters are excluded from this dispute resolution clause and do not constitute claims: (i) judicial or non-judicial foreclosure or any other action or proceeding to enforce a trust deed, mortgage, or land sale contract; (ii) a forcible entry and detainer action; (iii) the filing or enforcement of a mechanic's lien; or (iv) provisional remedies such as injunctions or the filing of a lis pendens. The filing of a notice of pending action (lis pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process remedy described in Rules 79 through 85 of the Oregon Rules of Civil Procedure (or corresponding federal statutory remedies), including a restraining order, injunction, attachment, or appointment of receiver, shall not constitute a waiver of the right to mediate or arbitrate under this Section, nor shall it constitute a breach of the duty to mediate or arbitrate. The proceeds resulting from the exercise of any such remedy shall be held by the party obtaining such proceeds for disposition as may be determined by an agreement of the parties pursuant to a mediation or by the arbitration award.

16.1.2 Negotiated Resolution. The parties will seek a fair and prompt negotiated resolution of claims and shall meet at least once to discuss and to seek to resolve such claims, but if this is not successful, all



disputes shall be resolved in small claims court, by mediation or by binding arbitration as set forth in Sections 16.1.3, 16.1.4 and 16.1.5 below, as applicable.

16.1.3 Mediation. Prior to mediation of any claim, the parties shall have endeavored to resolve disputes through the process set forth in Section 16.1.2 above. All claims that are not resolved by such process shall be subject to mediation as a condition precedent to arbitration. The request for mediation may be made concurrently with the filing of a demand for arbitration as set forth in Section 16.1.5 below, but, in such event, mediation shall proceed in advance of arbitration, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties. All mediation shall be held in Deschutes County, Oregon, with any dispute resolution program available that is in substantial compliance with the standards and guidelines adopted under ORS 36.175, as it may be amended.


16.1.4 Small Claims. All claims that have not been resolved by mediation and which are within the jurisdiction of the Small Claims Department of the Circuit Court of the State of Oregon shall be brought and determined there, and all parties waive their right to a jury trial with respect to such claims.


16.1.5 Arbitration. Prior to arbitration of any claim, the parties shall have endeavored to resolve disputes through the processes set forth in Section 16.1.2, 16.1.3 and 16.1.4 above, as applicable. All claims that have not been resolved by such processes shall be resolved by binding arbitration. Such arbitration shall be conducted by and pursuant to the then effective arbitration rules of Arbitration Service of Portland, Inc., or another reputable arbitration service mutually agreed upon by the parties. Any judgment upon the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof. The obligation to arbitrate shall survive the Closing of this transaction.

17. COUNTERPARTS; ELECTRONIC TRANSMISSION OF SIGNATURES. This Agreement may be executed in counterparts, which together shall constitute one document. In order to expedite the transaction contemplated herein, electronically transmitted (including, without limitation, scans or facsimiles) signatures may be used in place of original signatures on this Agreement or any document, other than Closing documents, delivered pursuant to this Agreement. SELLER and BUYER intend to be bound by the signatures on the electronically transmitted document, are aware that the other party will rely on the electronically transmitted signatures, and hereby waive any defenses to the enforcement of the terms of this Agreement based on the form of signature.

AGREEMENT TO PURCHASE: BUYER agrees to purchase the Property upon the terms and conditions set forth in this Agreement. BUYER acknowledges receipt of a completely filled in copy of this agreement, which BUYER has fully read and understands.

Deed shall be prepared in the name of: _____

 _____ DATE _____, 2017 ____AM ____ PM
BUYER Signature

 _____ DATE _____, 2017 ____AM ____ PM
BUYER Signature

Address: _____ Zip _____

Phone: _____ Fax _____ Email _____

This offer was submitted to SELLER for signature on the ____ day of _____, ____ at ____ AM. ____ PM

By _____ (Licensee(s) presenting offer).

ACCEPTANCE and COMMISSION AGREEMENT: SELLER, hereby approves and accepts this application and agrees to the sale of the Property described above upon the terms and conditions set forth herein. SELLER agrees to pay a co-operative Selling Commission based on a fixed rate of 2.5% (Two and One-Half Percent) of the selling price.

SELLER'S ACCEPTANCE: Dated this ____ day of _____ 2017 at ____ AM ____ PM

By: _____

Kirk E. Schueler, President of Brooks Resources Corporation, Managing Member of West Bend Property Company II, Managing Member of The Tree Farm LLC

SELLER'S REJECTION: Dated this ____ day of _____ 2017 at ____ AM ____ PM

_____ The Tree Farm LLC hereby rejects this application and makes the attached counter offer.

_____ The Tree Farm LLC hereby rejects this application without a counter offer.

By: _____

Kirk E. Schueler, President of Brooks Resources Corporation, Managing Member of West Bend Property Company II, Managing Member of The Tree Farm LLC

BUYER'S ACKNOWLEDGMENT: BUYER acknowledges receipt of a copy of SELLER's written response to this Agreement.

BUYER _____ Date: _____

BUYER _____ Date: _____

Listing Broker Initials _____ / _____

Selling Broker Initials _____ / _____