



Sale Agreement #

FINAL AGENCY ACKNOWLEDGMENT

Both Buyer and Seller acknowledge having received the Oregon Real Estate Agency Disclosure Pamphlet, and hereby acknowledge and consent to the following agency relationships in this transaction:

(1) Mary J Jones (Name of Selling Licensee) of Shorepine Properties (Name of Real Estate Firm) is the agent of (check one): Buyer exclusively ("Buyer Agency"), Seller exclusively ("Seller Agency"), Both Buyer and Seller ("Disclosed Limited Agency").

(2) Mary J Jones (Name of Listing Licensee) of Shorepine Properties (Name of Real Estate Firm) is the agent of (check one): Seller exclusively ("Seller Agency"), Both Buyer and Seller ("Disclosed Limited Agency").

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

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

Buyer Print Date

Buyer Print Date

Seller Print Kiwanda Properties, LLC Date

Seller Print Date

RESIDENTIAL REAL ESTATE SALE AGREEMENT

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

1. DEFINITIONS: All references in this Agreement to "Licensee" and "Firm" shall refer to Seller's and Buyer's real estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated. Licensee(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be applicable in Sections 15, 35, 36, 37, 41, and 44, below. Unless otherwise provided herein: (1) Time calculated in days after the date Seller and Buyer have signed this Agreement shall start on the first full business day after the date that the last party has signed and accepted this Agreement, including counteroffer(s), if applicable; (2) Written notices required or permitted under this Agreement to be delivered to Seller or Buyer may be delivered to their respective Licensee with the same effect as if delivered to that Seller or Buyer; (3) A "business day" shall mean and include Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020.

2. PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) offers to purchase from Seller (print name(s)) Kiwanda Properties, LLC

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

1/307th undivided interest in The Cottages at Cape Kiwanda (see Addendum A for legal description)

(Seller and Buyer agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with Section 5, below, shall, where necessary, be used for purposes of legal identification and conveyance of title.)

for the purchase price (in U.S. currency) of A \$

on the following terms: Earnest money herein received for B \$

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

at or before closing, the balance of down payment D \$

at closing and upon delivery of DEED CONTRACT the sum of (Lines B, C, D and E should equal Line A) E \$

Payable as follows (Describe details of any loan(s) to be obtained):

For additional details, see Addendum A & B

3. BUYER REPRESENTATIONS/LOAN CONTINGENCY: As of the date of 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.

IF A NEW LOAN IS REQUIRED, THIS TRANSACTION IS SUBJECT TO BUYER AND PROPERTY QUALIFYING FOR THE LOAN AND THE LENDER'S

Buyer Initials / Date

Seller Initials / Date

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

OREF 001-1



47 APPRAISAL BEING NOT LESS THAN THE PURCHASE PRICE. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Buyer
48 agrees to make written loan application not later than ___ business days (three [3] if not filled in) after the date Seller and Buyer have signed this Agreement
49 and thereafter, complete necessary papers, and exert best efforts, including payment of all application, appraisal and processing fees, in order to procure the
50 loan. Buyer authorizes lender to provide non-confidential information to Listing and Selling Licensees regarding status of the loan. If the Property is located in a
51 designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan. Buyer is encouraged to promptly verify the
52 availability and cost of property/casualty insurance that will be secured for the Property.

53 4. ADDITIONAL PROVISIONS: Seller is an Oregon Real Estate Licensee

54 For additional provisions, see Addendum A & B

55 5. TITLE INSURANCE: Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report and the
56 recorded covenants, conditions and restrictions ("the report and CC&Rs") showing the condition of title to the Property. (If not fully understood, Buyer
57 should immediately contact the title insurance company for further information or seek competent legal advice. Neither Listing nor Selling
58 Licensees are qualified to advise on specific legal or title issues.) Upon execution of this Agreement by Seller and Buyer, Seller will, at Seller's sole
59 expense, promptly order the report and CC&Rs from an Oregon title insurance company and furnish them to Buyer. Upon receipt of the report and CC&Rs,
60 Buyer shall have 5 business days (five [5] if not filled in) within which to notify Seller, in writing, of any matters disclosed in the report and CC&Rs which is/are
61 unacceptable to Buyer ("the objections"). Buyer's failure to timely object, in writing, to any matters disclosed in the report and/or CC&Rs shall constitute
62 acceptance of the report and/or CC&Rs. However, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title pursuant to
63 Section 6 below. If, within 5 business days (five [5] if not filled in) following receipt of the objections, if any, Seller fails to remove or correct the matters identified
64 in the objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest money shall be
65 promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing.
66 Within thirty (30) days after closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title in the Property to
67 Buyer in the amount of the purchase price, free and clear of the objections and all other title exceptions agreed to be removed as part of this transaction.

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

72 7. FIXTURES: All fixtures, including remote controls and essential related equipment, are to be left upon the Property. Fixtures shall include but not be limited
73 to: Built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows; system fixtures (irrigation,
74 plumbing, ventilating, cooling and heating); water heaters; attached electric light and bathroom fixtures; light bulbs; fluorescent lamps; window blinds; awnings;
75 fences; all planted shrubs, plants and trees; EXCEPT: None

76 8. PERSONAL PROPERTY: The following personal property, in "AS-IS" condition and at no stated value is included:
77 All furnishings and décor.

78 9. ALARM SYSTEM: [X] NONE [] OWNED [] LEASED. If leased, Buyer [] will [] will not assume the lease at closing.

79 10. SELLER REPRESENTATIONS: Subject to other written disclosures made by Seller as a part of this transaction, Seller makes the following
80 representations to Buyer: (1) The primary dwelling is connected to (check all that apply): [X] a public sewer system; [] an on-site sewage
81 system; [X] a public water system; [] a private well; [] other (e.g. surface springs, cistern, etc.). (2) At the earlier of possession or closing date,
82 the dwelling will have one or more operating smoke alarms or smoke detectors as required by law (See, http://www.sfm.state.or.us). (3) Seller has
83 no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in appliances and equipment. Buyer
84 acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in residential housing and may exist in the
85 Property. (4) Seller knows of no material defects in or about the Property. (5) All electrical wiring, heating, cooling, plumbing and irrigation
86 equipment and systems and the balance of the Property, including the yard, will be in substantially its present condition at the time Buyer is
87 entitled to possession. (6) Seller has no notice of any liens or assessments to be levied against the Property. (7) Seller has no notice from any
88 governmental agency of any violation of law relating to the Property. (8) Seller is not a "foreign person" under the Foreign Investment in Real
89 Property Tax Act ("FIRPTA") as defined in Section 26 below. (9) Seller knows of no material discrepancies between visible lines of possession and
90 use (such as existing fences, hedges, landscaping, structures, driveways, and other such improvements) currently existing on the Property
91 offered for sale and the legal description of the Property. (10) Seller agrees to promptly notify Buyer if, prior to closing, Seller receives actual
92 notice of any event or condition which could result in making any previously disclosed material information relating to the Property substantially
93 misleading or incorrect. These representations are based upon Seller's actual knowledge. Seller may have made no investigations. Exceptions to
94 items (1) through (9) are: None

95 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in
96 lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where

Buyer Initials ___/___ Date ___

Seller Initials ___/___ Date ___



97 appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for Buyer's intended use. Neither
98 the Listing nor Selling Licensees shall be responsible for conducting any inspection or investigation of any aspects of the Property.

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

102 12. PRIVATE WELL: If applicable, Seller represents that the private water well located on or serving the Property has provided an adequate supply of water
103 throughout the year for household use. To the best of Seller's knowledge, the water is fit for human consumption and the continued use of the well and water is
104 authorized by and complies with the laws of the State of Oregon and appropriate governmental agencies. No other representation is made concerning the
105 water supply and well except as expressly stated in this Agreement. If the well provides water for domestic purposes, upon Seller's acceptance of Buyer's
106 offer, Seller, at Seller's expense, will have the well tested for nitrates and total coliform bacteria and for such other matters as are required by the Oregon
107 Health Division. Upon receipt, Seller shall promptly submit the test results to the Oregon Health Division and Buyer. At Buyer's expense, Buyer may have the
108 well water tested for quantity or quality by a qualified tester, and obtain a written report of such test(s), showing the deficiencies (if any) in the well and the
109 standards required to correct the deficiencies, all within ___ business days (seven [7] if not filled in) after the date Seller and Buyer have signed this
110 Agreement. If the written report of any test made by Seller or Buyer shows a substantial deficiency in quantity or quality of the water, Buyer may terminate this
111 transaction by delivering written notice of termination, together with a copy of the test report, to Seller or Listing Licensee within twenty-four (24) hours after the
112 receipt by Buyer of the written test report unless, within twenty-four (24) hours after delivery of notice of termination, Seller agrees in writing to correct the
113 deficiencies shown on the report. Any report obtained by Buyer will show what deficiencies, if any, are substantial. In the event any wells located upon the
114 Property are not currently registered with the applicable governmental agency, Seller agrees to assist Buyer, at Buyer's sole expense, in registering them. The
115 preceding sentence shall survive closing of this transaction. For additional well provisions, see Addendum N/A _____.

116 13. INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s), relating to
117 such matters as structural condition, soil condition/compaction/stability, environmental issues, survey, zoning, operating systems, and suitability
118 for Buyer's intended purpose. Neither Listing nor Selling Licensees are qualified to conduct such inspections and shall not be responsible to do
119 so. For further details, Buyer is encouraged to review the Buyer Advisory at "http://www.oregonrealtors.org" or at "http://www.rea.state.or.us".

(CHECK ONLY ONE)

120
121 PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more
122 professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which may include testing or
123 removal of any portion of the Property. Buyer understands that Buyer is responsible for the restoration of the Property following any inspection(s)/test(s)
124 performed by Buyer or on Buyer's behalf. Buyer shall have 5 business days (ten [10] if not filled in), after the date Seller and Buyer have signed this
125 Agreement (hereinafter "the Inspection Period"), in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any
126 inspection report. However, during the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer.
127 Unless a written and signed modification is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's
128 unconditional disapproval of the property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this
129 transaction shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to provide Seller or
130 Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day of the Inspection Period, Buyer
131 shall be deemed to have accepted the condition of the Property.

132 SEE ATTACHED ADDENDUM REGARDING ALTERNATIVE INSPECTION PROCEDURES, (USE OREF PROFESSIONAL INSPECTION
133 ADDENDUM FORM #058 OR OTHER INSPECTION ADDENDUM.)

134 BUYER'S WAIVER OF INSPECTION CONTINGENCY: Buyer acknowledges that Buyer has been given an opportunity to have the Property
135 fully inspected. Buyer represents to Seller and all Licensees and Firms that Buyer is fully satisfied with the condition of the Property and all
136 elements and systems thereof and elects to waive the right to have any inspections performed as a contingency to the closing of the transaction.
137 Buyer's election to waive the right of inspection is solely Buyer's decision and at Buyer's own risk.

138 14. LEAD-BASED PAINT CONTINGENCY PERIOD: If the Property was constructed before 1978, a Lead-Based Paint Disclosure Addendum
139 (hereinafter "the Disclosure Addendum") shall be promptly signed by Seller, Buyer and Listing and Selling Licensees, and become a part of this
140 Agreement. Buyer shall also be provided with a pamphlet entitled "Protect Your Family From Lead in Your Home." Buyer shall have ___
141 calendar days (ten [10] if not filled in) within which to conduct a lead-based paint assessment or inspection (hereinafter referred to as "the Lead-
142 Based Paint Contingency Period"), which shall commence immediately when Seller and Buyer sign the Disclosure Addendum. Unless the
143 opportunity to conduct a risk assessment or inspection is expressly waived in the Disclosure Addendum, Buyer may, in writing, unconditionally
144 cancel this transaction during the Lead-Based Paint Contingency Period and receive a prompt return of all earnest money deposits. Buyer

Buyer Initials ___ / ___ Date _____

Seller Initials ___ / ___ Date _____



Sale Agreement # _____

145 understands that the failure to give timely written notice of cancellation prior to Midnight on the last day of the Lead-Based Paint Contingency
146 Period shall constitute acceptance of the condition of the Property as it relates to the presence of lead-based paint or lead-based paint hazards.

147 **15. ESCROW:** This transaction shall be closed at Ticor Title Insurance Co., Tillamook ("Escrow"), a neutral escrow located in the
148 State of Oregon. Costs of Escrow shall be shared equally between Seller and Buyer, unless Buyer is financing through Federal VA, in which case
149 Seller shall pay all escrow costs.

150 Unless otherwise provided herein, the parties agree as follows: Seller authorizes Listing Firm to order a preliminary title report and owner's title policy at Seller's
151 expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's recording fees, Seller's closing
152 costs and any encumbrances on the Property payable by Seller on or before closing. Buyer shall deposit with Escrow sufficient funds necessary to pay
153 Buyer's recording fees, Buyer's closing costs, and lender's fees, if any. Real estate fees, commissions or other compensation for professional real estate
154 services provided by Listing and/or Selling Firms shall be paid at closing in accordance with the listing agreement, buyer service agreement or other written
155 agreement for compensation.

156 **16. CLOSING: TIME IS OF THE ESSENCE.** Closing shall occur on a date mutually agreed upon by Seller and Buyer, but in no event later than
157 _____ ("the Closing Deadline"). The terms "closed", "closing" or "closing
158 date" shall mean when the deed or contract is recorded and funds are available to Seller. Seller and Buyer acknowledge that for closing to occur
159 by the Closing Deadline, it may be necessary to execute documents and deposit funds in Escrow prior to that date.

160 **17. POSSESSION:** Seller shall remove all personal property (including trash and debris) that is not a part of this transaction, and deliver
161 possession of the Property to Buyer (check one): by 5:00 p.m. on closing; by _____ a.m. p.m. ___ days after closing; by
162 **5:00** a.m. p.m. on the **1st** day of use period _____. If a tenant is currently in possession of the Property (check one):
163 Buyer will accept tenant at closing; Seller shall have full responsibility for removal of tenant prior to closing.

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

166 **19. SELLER POSSESSION AFTER CLOSING:** In the event that Seller and Buyer have agreed that Seller will deliver possession after closing, Seller shall
167 pay as consideration \$N/A per day for each day after closing that Seller remains in possession of the
168 Property. Such payment shall be made by Seller through Escrow at the time of closing and no landlord-tenant relationship shall be created thereby, so long as
169 Seller's possession does not exceed 90 days after the date of closing. See attached Addendum _____, if applicable.

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

172 **21. INSURANCE:** Seller shall keep the Property fully insured until closing.

173 **22. ESCROW DEPOSIT:** Escrow is hereby instructed by Seller and Buyer as follows: (1) Upon your receipt of a copy of this Agreement marked "rejected" by
174 Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon your receipt of a copy of
175 this Agreement signed by Seller and Buyer, set up an escrow account and proceed with closing in accordance with the terms of this Agreement. If you
176 determine that the transaction cannot be closed for any reason (whether or not there is then a dispute between Seller and Buyer), subject only to Section 37
177 below, you are to hold all earnest money deposits until you receive written instructions from Seller and Buyer, or a final ruling from a court or arbitrator, as to
178 disposition of such deposits.

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

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

191 **25. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT:** The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who
192 purchases real property located within the United States from a "foreign person" to deduct and withhold from Seller's proceeds ten percent (10%) of the gross
193 sales price, with certain exceptions, and to pay the amount withheld to the Internal Revenue Service. A "foreign person" includes a non-resident alien
194 individual, foreign corporation, foreign partnership, foreign trust and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any

Buyer Initials ____/____ Date ____

Seller Initials ____/____ Date ____



195 instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of FIRPTA. If Seller is a foreign person as
196 defined by FIRPTA, Seller and Buyer instruct Escrow to take all necessary steps to comply therewith.

197 **26. APPROVED USES:** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING
198 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST ZONES, MAY NOT
199 AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS
200 DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE
201 SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352 (MEASURE 37). BEFORE SIGNING OR ACCEPTING THIS
202 INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY
203 PLANNING DEPARTMENT TO VERIFY APPROVED USES, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF
204 NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352 (MEASURE 37). IF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS
205 SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505, ORS 358.515 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION
206 OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.

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

210 **28. LEVY OF ADDITIONAL PROPERTY TAXES:** The Property: (check one) is is not specially assessed for property taxes (e.g. farm, forest or
211 other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is current as to income or
212 other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the closing of this transaction, the Property either is disqualified
213 from special use assessment or loses its deferred property tax status, unless otherwise specifically provided in this Agreement, Buyer shall be responsible for
214 and shall pay when due, any deferred and/or additional taxes and interest which may be levied against the Property and shall hold Seller completely harmless
215 therefrom. However, if as a result of Seller's actions prior to closing, the Property either is disqualified from its entitlement to special use assessment or loses its
216 deferred property tax status, Seller shall be responsible for and shall pay at or before closing all deferred and/or additional taxes and interest which may be
217 levied against the Property and shall hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Seller's or Buyer's available
218 remedies or damages arising from a breach of this Section 28.

219 **29. ADDITIONAL LAND SALE CONTRACT/TRUST DEED/MORTGAGE PROVISIONS:** If this transaction is to include a land sale contract, trust deed
220 or mortgage to be carried back by Seller, Seller and Buyer shall agree upon the terms and conditions of such document not later than ___ business days (ten
221 [10] if not filled in) after the date Seller and Buyer have signed this Agreement. Upon failure to reach such agreement within said time period, this transaction
222 shall be terminated, and all earnest money shall be promptly refunded to Buyer.

DISPUTE RESOLUTION INVOLVING SELLER AND BUYER ONLY

223
224 **30. DISPUTE RESOLUTION BETWEEN SELLER AND BUYER:** Seller and Buyer agree that all claims, controversies and disputes between them,
225 including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in accordance
226 with the procedures set forth herein, which shall expressly survive closing or earlier termination of this Agreement. Provided, however, the following matters
227 shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract or recorded construction lien; or (2) a
228 forcible entry and detainer action (eviction). The filing in court for the issuance of any provisional process or similar remedy described in the Oregon or Federal
229 Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures specified herein.

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

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

239 **33. ARBITRATION BETWEEN SELLER AND BUYER:** All Claims between Seller and Buyer that have not been resolved by mediation, or otherwise,
240 shall be submitted to final and binding private arbitration in accordance with Oregon Laws. Filing for arbitration shall be treated the same as filing in court for
241 purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Seller or Buyer may file Claims either with Arbitration Service of
242 Portland ("ASP") or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected alternative
243 service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct the hearing in the

Buyer Initials ____ / ____ Date ____

Seller Initials ____ / ____ Date ____



244 county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its conclusion. BY CONSENTING TO
245 THIS PROVISION SELLER AND BUYER ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED
246 BY ONE OR MORE NEUTRAL ARBITRATORS AND SELLER AND BUYER ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE
247 OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

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

DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS

253
254 **35. SMALL CLAIMS COURT AND ARBITRATION:** All claims, controversies or disputes relating to this transaction in which a Licensee or Firm identified
255 in the Final Agency Acknowledgment Section above, is named as a party, shall be resolved exclusively as follows: (1) If within the jurisdictional limit of Small
256 Claims Court, the matter shall be brought and decided there, in lieu of arbitration or litigation in any other forum. (2) All other claims, controversies or disputes
257 involving such Licensee or Firm shall be resolved through final and binding arbitration using the arbitration selection process described in Section 33, above.
258 This Section 35 shall be in lieu of litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or
259 informal mediation at any time, but shall not be required to do so under this Section 35. This Section 35 shall not apply to those matters in which: (a) The
260 claim, controversy or dispute is exclusively between REALTORS® and is otherwise required to be resolved under the Professional Standards Arbitration
261 provisions of the National Association of REALTORS®; (b) Licensee or Firm has agreed to participate in alternative dispute resolution in a prior written listing,
262 service or fee agreement with Seller or Buyer, or (c) Licensee or Firm is Seller or Buyer in this transaction (in which case, Sections 30-34 shall apply). This
263 Section 35 shall expressly survive closing or earlier termination of this Agreement. As to any claim, controversy or dispute in which such Licensee or
264 Firm is named as a party, this Section 35 shall, where applicable, be in lieu of, replace and supercede the alternative dispute resolution and
265 attorney fee provisions of Sections 30-34 above.

266 **36. RECEIPT FOR EARNEST MONEY:** Selling Firm acknowledges receipt of earnest money from Buyer in the sum of \$ _____
267 evidenced by (check one) CASH CHECK PROMISSORY NOTE payable as follows: _____;
268 Other Form of earnest money: _____ and agrees to handle as follows below.

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

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

280 Selling Firm Shorepine Properties Selling Licensee Signature _____

281 Office Address PO Box 189 Pacific City OR 97135 Phone 503-965-7779 FAX 503-965-7778

282 **38. PROPERTY DISCLOSURE LAW:** Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that Buyer
283 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 Property Disclosure
284 Statement ("the Statement"), or (b) at any time before closing (as defined in the Oregon Administrative Rules) if Buyer does not receive the Statement from
285 Seller before closing. Buyer may waive the right of revocation only in writing. Seller authorizes Listing Firm to receive Buyer's notice of revocation, if any, on
286 Seller's behalf.

287 **39. COUNTERPARTS/DELIVERY:** This Agreement may be signed in multiple counterparts with the same effect as if all parties signed the same document.
288 Delivery of a legible photocopy, telefax, carbon or carbonless copy of a signed original of this Agreement shall be treated the same as delivery of the original.

Buyer Initials ____ / ____ Date ____

Seller Initials ____ / ____ Date ____



Sale Agreement # _____

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

295 Deed or contract shall be prepared in the name of _____
296 This offer shall automatically expire on (insert date) _____ at _____ a.m. p.m., (the Offer Deadline), if not
297 accepted within that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's acceptance. If Seller accepts this offer after the
298 Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within ___ business days (two [2] if not filled in) thereafter by so
299 indicating at Section 43 below. This offer may be accepted by Seller only in writing.

300 Buyer _____ Date _____ a.m. _____ p.m. ←
301 Buyer _____ Date _____ a.m. _____ p.m. ←
302 Address _____ Zip _____
303 Phone Home _____ Work _____ E-mail _____ Fax _____

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

304
305 This offer was submitted to Seller for signature on the _____ day of _____, _____, at _____ a.m. _____ p.m.
306 By _____ (Licensee(s) presenting offer).

307 **41. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY:** Seller accepts Buyer's offer. Seller
308 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges that
309 Seller has not received or relied upon any oral or written statements of Buyer or of any Licensee(s) which are not expressly contained in this
310 Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 23 above, shall be disbursed as follows after
311 deduction of any title insurance and Escrow cancellation charges: (check one) First to Listing Firm to the extent of the agreed commission
312 just as if the transaction had been closed, with residue to Seller, or 100% to Seller.

313 Seller _____ Date _____ a.m. _____ p.m. ←
314 Seller _____ Date _____ a.m. _____ p.m. ←
315 Address **PO Box 189, Pacific City, Oregon** Zip **97135**
316 Phone Home _____ Work **503-550-7194** E-mail **maryjones@shorepineproperties.com**
317 Fax **503-965-7778**

318 **42. REJECTION/COUNTER OFFER: SELECT ONE:** Seller does not accept the above offer, but makes the attached counter offer; Seller rejects
319 Buyer's offer without a counter offer.

320 Seller _____ Date _____ a.m. _____ p.m. ←
321 Seller _____ Date _____ a.m. _____ p.m. ←
322 Address _____ Zip _____
323 Phone Home _____ Work _____ E-mail _____ Fax _____

Buyer Initials ____ / ____ Date ____

Seller Initials ____ / ____ Date ____



Sale Agreement #

324 43. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response is an
325 acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 40 above, Buyer (select only one) agrees does not agree, to be
326 bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)

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

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

329 44. FIRMS/LICENSEES:

330 Selling Firm Shorepine Properties Selling Licensee Mary J Jones

331 Listing Firm Shorepine Properties Listing Licensee Mary J Jones

332 Selling Firm Office Address PO Box 189, Pacific City, OR 97135 Phone 503-550-7194 FAX _____

333 Listing Firm Office Address PO Box 189, Pacific City, OR 97135 Phone 503-550-7194 FAX _____

334 Listing Firm Principal Broker Initials/Date _____ / _____ Selling Firm Principal Broker Initials/Date _____ / _____

Buyer Initials ____ / ____ Date ____

Seller Initials ____ / ____ Date ____

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

OREF 001-8

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Cape ^{The Cottages at} Kiwanda

ADDENDUM A TO RESIDENTIAL REAL ESTATE SALES AGREEMENT

PURCHASER: _____

NOTICE TO PURCHASER

By signing this agreement you are incurring a contractual obligation to purchase a timeshare. However, you have five calendar days after signing this agreement to cancel the agreement by written notice to the Developer or the Developer's agent at the following address:

Kiwanda Properties, LLC
PO Box 189
Pacific City, OR 97135

Before executing this agreement, or before the five-day cancellation period ends, you should carefully examine the public report on the fractional ownership plan and any accompanying information to be delivered by the developer.

LEGAL DESCRIPTION

A 1/307th undivided fee ownership interest as tenant in common in and to the Cottages at Cape Kiwanda, according to and as defined in the Declaration of Covenants, Conditions, Restrictions, and Fractional Ownership Plan of the Cottages at Cape Kiwanda ("Declaration") recorded on June 22, 2007, in Volume 2007, page 005240, of the Public Records of Tillamook County, Oregon, as amended and supplemented from time to time, together with the perpetual right to reserve, use and occupy, in accordance with the Declaration, Assigned Unit _____ for a period of three (3) Weeks each Year, such period being comprised of Primary Week _____ and two (2) Planned Vacation Weeks subject to selection pursuant to the Rotating Priority Reservation System.

Date: _____

Date: _____

ADDENDUM B - ACKNOWLEDGMENT

The Cottages at Cape Kiwanda Fractional Ownership Plan

The Declarant desires to eliminate any possibility of misunderstandings concerning any representations which may have influenced your decision to purchase a Fractional Interest in the Cottages at Cape Kiwanda (the "Fractional Ownership Property"). Therefore, we ask that you kindly acknowledge the statements that follow. In this regard, all capitalized terms used in this Acknowledgment of Representations shall have the meanings set forth in the Declaration of Covenants, Restrictions and Fractional Ownership Plan of the Cottages at Cape Kiwanda (the "Declaration"), as amended, and all exhibits thereto (collectively, the "Fractional Documents"), unless otherwise defined herein. All references to singular include the plural and vice versa.

- Yes ___
No ___
1. I acknowledge that by signing the Residential Real Estate Sale Agreement ("Purchase Agreement") I am incurring a contractual obligation to purchase a Timeshare Estate. I understand that I have five calendar days after signing the Purchase Agreement to cancel the Purchase Agreement by providing written notice to the Declarant or the Declarant's agent of my decision to cancel.
- Yes ___
No ___
2. I understand and acknowledge receipt of a copy of the State of Oregon Public Report TS-29-0507-003 issued June 22, 2007 consisting of 5 pages, not later than the date I executed the Purchase Agreement. I am aware that the Public Report is not a recommendation or endorsement of the project, but is for information only.
- Yes ___
No ___
3. I acknowledge that I carefully reviewed the Fractional Documents (Declaration of Covenants, Conditions, Restrictions and Fractional Ownership Plan, Master Declaration, Rules & Regulations), which I received in conjunction with this Acknowledgment of Representations and acknowledge my understanding of the terms and conditions associated with ownership of a Fractional Interest in the Fractional Ownership Property.
- Yes ___
No ___
4. I acknowledge that one hundred percent (100%) of all funds and other property received from me prior to closing shall be held in a non-interest bearing escrow account pursuant to the requirements of the Oregon Timeshare Act, Chapter 94, Section 94.873, Oregon Revised Statutes, unless an approved alternate assurance arrangement is utilized. The name and address of the agent is Ticor Title Company, whose address and telephone number is 2211 Third Street, PO Box 519, Tillamook, Oregon, 97141, 800-473-9086. I am entitled to a receipt for the deposit upon request. In the event I cancel the Purchase Agreement during the five (5) calendar day cancellation period described in the Purchase Agreement, Declarant will refund to me the total amount of all payments made by me under the Purchase Agreement, reduced by the proportion of any contract benefits I have actually received under the Purchase Agreement, if any, prior to the effective date of cancellation; however, in no event shall the failure to return a Public Report be deemed a contract benefit. The refund shall be made within fifteen (15) days after receipt of notice of cancellation.
- Yes ___
No ___
5. I acknowledge that I have not relied upon any prior agreements, representations, understandings, or oral statements in making my decision to purchase a Fractional Interest (including but not limited to renderings or representations contained in sales brochures, advertising or sales materials and oral statements of sales representatives), which are not included in the Fractional Documents.
- Yes ___
No ___
6. I acknowledge that, although I have been provided renderings and other depictions of the property in sales brochures, the only property which the Declarant currently contemplates may ultimately become part of the Fractional Ownership Plan is described in Exhibit "A" to the Declaration.

Yes ___
No ___

7. I acknowledge that no representations have been made as to investment potential, resale potential, rental income potential, or tax benefit potential of my purchase. I acknowledge that the Declarant has not induced me to purchase a Fractional Interest through the ability to participate in any exchange or rental program. I also acknowledge that I am purchasing a Fractional Interest for my personal use and the use of my family members and guests only, to hold for an indefinite time, and with no promises or representation by Declarant of investment potential or deriving any profit or tax advantage therefrom whether through income, appreciation or otherwise and with no expectation that I will receive any assistance from the Declarant in the exchange or rental of accommodations or the resale of my Fractional Interest.

Yes ___
No ___

8. I understand that I am responsible for the Common Expenses and special assessments associated with ownership of the Fractional Interest ("Assessments"). I understand that my share of such Assessments may increase from year to year as costs for these services increase. At closing I shall pay Assessments prorated to the number of days remaining in the fiscal year and I acknowledge that I will have ___ week(s) of use in 2010, based on the date of closing. I acknowledge that I have been given a 2010 budget showing the annual expense per share.

Yes ___
No ___

9. I acknowledge that the Fractional Documents contain all the terms and conditions of my purchase and that I have not relied upon any oral representations as the basis for my purchase.

Yes ___
No ___

10. I understand that all rules and regulations of the Fractional Ownership Property and Fractional Ownership Plan apply with equal force to my guests, friends, lessees and all other persons who utilize the Unit pursuant to my occupancy rights. I understand I am responsible to inform such parties of all such rules and regulations.

Yes ___
No ___

11. I acknowledge that I have examined the floor plans of the Fractional Ownership Property and the floor plans of the type of Unit I am purchasing a Fractional Interest in, but I understand that floor plan dimensions are approximate.

Yes ___
No ___

12. I understand and acknowledge that the Fractional Use Property is located along the coast of Oregon and that the Pacific City dory fleet launches and lands from the beach and may cause noise associated with such activity.

Yes ___
No ___

13. The Cottages at Cape Kiwanda are affiliated with Interval International, Inc., an exchange program. That company's address is 6262 Sunset Drive, Miami, Florida. A resort affiliation agreement has been executed by the Developer and the Owner's Association which establishes procedures for an Owner to exchange the Owner's use of an interval period at The Cottages for the use of an interval period at facilities which are part of the Interval International, Inc. network. An Owner does not sign a separate contract at the time of the purchase. The Developer pays the fees for an Owner's participation in the program for the first three years. After the first three years, an Owner may renew the membership at Owner's expense and the Owner will be billed directly by Interval International, Inc. An Owner's participation in the exchange program is voluntary. Exchange program benefits will be available for so long as the Owner and The Cottages are in good standing with Interval International, Inc. Owner's Association fees must be paid current to qualify for and effectuate an "exchange." All Owners electing to participate in the exchange program are provided an Interval Resort Directory, which describes the exchange program and procedures. Interval International's website: www.intervalworld.com provides detailed description of the operation of the exchange program.

THE UNDERSIGNED PURCHASER, WHETHER ONE OR MORE, BY SIGNING IN THE SPACE PROVIDED BELOW, HEREBY CERTIFIES THAT HE OR SHE HAS READ EACH AND EVERY ONE OF THE FOREGOING STATEMENTS AND THAT HE OR SHE UNDERSTANDS EACH ONE AND HAS HAD AN OPPORTUNITY TO INQUIRE OF THE DECLARANT WITH RESPECT TO THESE ISSUES.

Date: _____ Purchaser _____

Date: _____ Purchaser _____