

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>Leonard M. Shulman - Bar No. 126349 Rika M. Kido - Bar No. 273780 SHULMAN HODGES & BASTIAN LLP 100 Spectrum Center Drive, Suite 600 Irvine, California 92618 Telephone: (949) 340-3400 Facsimile: (949) 340-3000 Email: LShulman@shbllp.com RKido@shbllp.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Lynda T. Bui, Chapter 7 Trustee</p>		<p>FOR COURT USE ONLY</p>	
<p>UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</p>			
<p>In re:</p> <p>RUSSEL DENNIS HILES, III,</p> <p>Debtor(s).</p>		<p>CASE NO.: 6:16-bk-16877-WJ CHAPTER: 7</p> <p>NOTICE OF SALE OF ESTATE PROPERTY</p>	

Sale Date: 10/23/2018	Time: 1:00 p.m.
Location: Courtroom 304, U.S. Bankruptcy Court, 3420 Twelfth Street, Riverside, CA 92501	

Type of Sale: ☒ Public ☐ Private **Last date to file objections:** 10/9/18

Description of property to be sold: Real property located at 17345 Plainview Road, Bend, OR 97703, 17265 Plainview Road, Bend, OR 97703, 66876 Gist Road, Bend, OR 97703, and 66822 Gist Road, Bend OR 97703 for \$1,995,000.00 ("Bend Property"). Personal property located at the Bend Property and described by Debtor as "furniture, antiques, paintings, and collectibles ("Personal Property") for \$10,000.00.

Terms and conditions of sale: See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

Proposed sale price: \$2,005,000.00

Overbid procedure (if any): Initial overbid of at least \$10,000.00 over the purchase price for the Bend Property and \$2,000.00 for the Personal Property for a total of \$2,017,000.00. Initial bid amount for just the Bend Property shall be \$2,005,000.00. Personal Property is not available for bidders who do not also bid on the Bend Property. (See attached)

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

United States Bankruptcy Court
Courtroom 304
3420 Twelfth Street
Riverside, CA 92501

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Rika M. Kido, Esq.
Shulman Hodges & Bastian LLP
100 Spectrum Center Drive Suite 600
Irvine, CA 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: RKido@shbllp.com

Date: 10/02/2018

Attachments:

- (1) Statement of Information**
- (2) Sale Motion**

Statement of Information in Compliance with LBR 6004-1(c)(3)

LBR 6004-1(c)(3) Required Information	Response
(A) The date, time, and place of the hearing on the proposed sale;	October 23, 2018 at 1:00 p.m. U.S. Bankruptcy Court Courtroom 304 3420 Twelfth Street Riverside, CA 92501
(B) The name and address of the proposed buyer;	Drew Hood c/o Nic Jones Keller Williams Central Oregon 123 SW Columbia St. Bend, OR 97702
(C) A description of the property to be sold;	Real property located at 17345 Plainview Road, Bend, OR 97703, 17265 Plainview Road, Bend, OR 97703, 66876 Gist Road, Bend, OR 97703, and 66822 Gist Road, Bend OR 97703 ("Bend Property"). Personal property located at the Bend Property, described by the Debtor as "furniture, antiques, paintings and collectibles" ("Personal Property").
(D) The terms and conditions of the proposed sale, including the price and all contingencies;	\$1,995,000.00 for the Bend Property and \$10,000.00 for the Personal Property, subject to Bankruptcy Court approval and overbids; sale of Bend Property and Personal Property on an as-is, where-is basis, without any warranties or representations.
(E) Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or liens;	Proposed sale is free and clear of liens as identified in the Preliminary Title Report attached as Exhibit 1 to the Declaration of Lynda T. Bui annexed to the Motion, with payment of (i) all real estate taxes owed to the Deschutes County Treasurer and Tax Collector, (ii) exclusive farm use tax liabilities owed to the Deschutes County Treasurer and Tax Collector, (iii) all amounts owed to Sun Mountain Water Systems; (iv) all amounts owed to BofA, (v) real estate commission not to exceed 5%, and (vi) escrow fees which shall be split between Buyer and Estate in the manner customary in the County where the Property is located (Deschutes County, Oregon).
(F) Whether the proposed sale is subject to higher and better bids;	Yes. Potential overbidder(s) must bid an initial amount of at least \$10,000.00 over the Purchase Price for the Bend Property and \$2,000.00 for the Personal Property for a total of \$2,017,000.00. Initial bid amount for just the Bend Property shall be \$2,005,000.00. The Personal Property is not available for overbidders who do not also bid on the Bend Property. Minimum bid increments, with or without the Personal Property, thereafter shall be \$5,000.00.
(G) The consideration to be received by the estate, including estimated commissions, fees and other costs of sale;	The sale is expected to generate <u>net</u> proceeds of approximately \$10,000.00 from the sale of the Personal Property and \$843,900.00 from the sale of the Bend Property, after estimated commissions of 5% and other costs of sale and payment of the above liens.
(H) If authorization is sought to pay a commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid;	The commission (5%) will be split as follows: 2% to buyer's broker, Nic Jones of Keller Williams Central Oregon, 2% to Trustee's broker, Josh Hansen of Strategic Realty, LLC, and 1% to Estate.
(I) A description of the estimated or possible tax consequences to the estate, if known, and how any tax liability generated by the sale of the property will be paid; and	The Trustee has consulted with her accountant and is informed that there will not be any tax consequences for the sale of the Property
(J) Date which objection may be filed and served.	Objections may be served 14 days prior to the hearing on October 9, 2016.

Leonard M. Shulman - Bar No. 126349
Rika M. Kido - Bar No. 273780
SHULMAN HODGES & BASTIAN LLP
100 Spectrum Center Drive, Suite 600
Irvine, California 92618
Telephone: (949) 340-3400
Facsimile: (949) 340-3000
Email: LShulman@shbllp.com
RKido@shbllp.com

Attorneys for Lynda T. Bui,
Chapter 7 Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION

In re

RUSSEL DENNIS HILES, III,

Debtor.

Case No. 6:16-bk-16877-WJ

Chapter 7

CHAPTER 7 TRUSTEE'S MOTION FOR ORDER:

(1) **APPROVING THE SALE OF REAL
PROPERTY OF THE ESTATE FREE AND
CLEAR OF LIENS PURSUANT TO
BANKRUPTCY CODE §§ 363(b)(1) and (f),
SUBJECT TO OVERBIDS, COMBINED WITH
NOTICE OF BIDDING PROCEDURES AND
REQUEST FOR APPROVAL OF THE
BIDDING PROCEDURES UTILIZED;**

(2) **APPROVING SALE OF PERSONAL
PROPERTY FREE AND CLEAR OF LIENS
PURSUANT TO BANKRUPTCY CODE §§
363(b)(1) and (f);**

(3) **APPROVING PAYMENT OF REAL ESTATE
COMMISSION AND OTHER COSTS; AND**

(4) **GRANTING RELATED RELIEF;**

**MEMORANDUM OF POINTS AND AUTHORITIES
AND DECLARATION OF LYNDIA T. BUI IN
SUPPORT THEREOF**

**[Real Property commonly known at 66876 Gist
Road, Bend, Oregon 97703]**

Hearing Date:

Date: October 23, 2018

Time: 1:00 p.m.

Place: Courtroom 304

United States Bankruptcy Court
3420 Twelfth Street
Riverside, CA 92501

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II. RELEVANT FACTS

A. The Bankruptcy Case

The Debtor commenced the instant bankruptcy case by filing a Voluntary Petition for relief under Chapter 11 of the Bankruptcy Code on August 1, 2016. Pursuant to an order entered on December 21, 2017 (Docket No. 275), the case was converted to Chapter 7 and Lynda T. Bui was subsequently appointed as the Trustee for this Estate.

The deadline for filing proofs of claim in this case was April 9, 2018. The Court's claims register indicates there have been thirty claims filed totaling \$22,779,381.46, consisting \$3,956,552.40 in secured claims, \$4,210,470.09, in priority unsecured claims, \$325.00 in administrative claims, and \$14,612,033.97 in general unsecured claims.

B. The Bend Property and Personal Property

On his Schedule A/B, the Debtor lists an ownership interest in the Bend Property¹, which is legally described on page 4 of the Preliminary Title Report dated September 13, 2018 ("Title Report"), a copy of which is attached as **Exhibit "1"** to the Declaration of Lynda T. Bui ("Bui Declaration"). The Debtor listed the value of the Bend Property at \$12,000,000.00. On his Schedule C, the Debtor did not claim an exemption in the Bend Property.

On his Schedule D, the Debtor listed the following liens against the Bend Property: (1) a mortgage with Bank of America N.A. ("BofA") in the amount of \$783,134.00 ("BofA Lien"); and (2) lien in favor of the Deschutes County Treasurer and Tax Collector in the amount of \$5,000.00 (related to real property taxes). Pursuant to a recent Payoff Statement, the Trustee is advised that the amount due to BofA through October 9, 2018 is \$980,826.87. Attached as **Exhibit "2"** to the Bui Declaration is a true and correct copy of the BofA Payoff Statement good through October 9, 2018.

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¹ The Debtor lists his ownership of a 40 acre ranch located at 66876 Gist Road, Bend, Oregon 97703. Pursuant to title records, the Bend Property is comprised of three parcels: (1) Parcel 1 located at 17345 Plainview Road, Bend, OR 97703; (2) Parcel 2 located at 17265 Plainview Road, Bend, OR 97703; (3) Parcel 3 located at 66822 Gist Road, Bend OR 97703 and 66876 Gist Road, Bend, OR 97703.

1 On his Schedule A/B, the Debtor lists personal property located at the Bend Property as
2 “furniture, antiques, paintings and collectibles” (“Personal Property”). The Debtor listed the value
3 of the Personal Property at \$550,000.00. On his Schedule C, the Debtor did not claim an
4 exemption in the Personal Property.

5 The Trustee is informed and believes that the Debtor significantly over-stated the value of
6 the Personal Property. The Trustee is informed by a local auctioneer that the Personal Property,
7 after a piecemeal auction sale, has a total estimated liquidation value of approximately \$10,000.00
8 to \$25,000.00. If the Trustee were to auction the Personal Property for sale, the net to the Estate
9 would be less after deducting the auctioneer’s commission (25% to 50% to compensate the
10 auctioneer for advertising and labor costs to set up and conduct the auction).

11 **C. Broker Employment, Marketing Efforts and Sale of the Bend Property**

12 On January 23, 2018 the Trustee filed an application (Docket No. 292) to employ Strategic
13 Realty, LLC as her real estate broker (“Broker”) to assist in marketing the Bend Property for sale,
14 which was approved by Court order entered on February 20, 2018 (Docket No. 310).

15 The Estate does not have the funds to obtain a formal written appraisal for the estimated
16 value of the Bend Property. The Broker is experienced in the sale of real property as well as
17 property valuations and is familiar with valuing real property in today’s economic environment.
18 After conducting an on-site inspection, the Broker informed the Trustee that the Bend Property
19 may be worth approximately \$2,995,000.00 and that the Broker recommended listing the Property
20 for sale at \$2,995,000.00.

21 Through her Broker, the Trustee has marketed the Bend Property for over seven (7)
22 months. The Trustee received only two offers for the Bend Property. The first potential buyer
23 offered less than the current Buyer (defined below). The offer from the Buyer that is the subject
24 of this Sale Motion is the best and highest offer received for the Bend Property. The Buyer’s offer
25 is the result of negotiations between the Trustee and the Buyer for the highest and best offer.

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The Buyer has offered to purchase the Bend Property for \$1,995,000.00. The purchase price includes a deposit of \$25,000.00. The Buyer has also offered to purchase all personal property located at the Bend Property for \$10,000.00. Attached as **Exhibit “3”** to the Bui Declaration is a true and correct copy of the Residential Real Estate Sale Agreement and related addendum (collectively the “Agreement”). Given that the sale of the Bend Property is subject to overbids, it is anticipated that the Trustee will receive the best and highest value for the Bend Property and therefore the proposed sale price is fair and reasonable.

D. Treatment of Liens and Encumbrances Through the Sale

The following chart sets forth the liens and encumbrances against the Bend Property as detailed in the Title Report and the proposed treatment of such liens and encumbrances through the sale:

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
Deschutes County Treasurer and Tax Collector	Real property taxes (current and past due)	\$7,834.11	All outstanding real property taxes will be paid through escrow on the sale transaction.
Deschutes County Treasurer and Tax Collector	Exclusive farm use property tax liability	\$34,315.34	All outstanding property tax liabilities will be paid through escrow on the sale transaction.
Deschutes County Treasurer and Tax Collector	Exclusive farm use property tax liability	\$11,643.43	All outstanding property tax liabilities will be paid through escrow on the sale transaction.
Sun Mountain Water Systems	Regulations, including levies, liens, assessments, water and easements	\$643.00	This lien will be paid through escrow on the sale transaction. Thus, this lien will be released, discharged and terminated at the close of escrow and the Property will be sold free and clear of this lien and the lien will <u>not</u> attach to the sale proceeds.
Bank of America	Deed of Trust recorded against the Bend Property on September 23, 2008 in the amount of \$862,500.00, Recording No. 2008-38837	\$980,826.87 (good through 10/9/18)	This lien will be paid through escrow on the sale transaction. Thus, this lien will be released, discharged and terminated at the close of escrow and the Property will

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
			be sold free and clear of this lien and the lien will not attach to the sale proceeds.
Farmers Insurance Exchange, an inter-insurance exchange ("Farmers")	Pending court action, <i>Farmers Insurance Exchange, et. al. v. Hiles</i> , in Deschutes Circuit Court, Case No. 16CV20120 ("Farmers Action").	Unknown	<p>A Notice of Pendency of Action was not filed regarding the Farmers Action. However, since the Bend Property is identified in the complaint filed in the Farmers Action, it was picked up by title as is common in Oregon.</p> <p>The Trustee, through her counsel, has communicated with Farmers' counsel and Farmers has agreed to dismiss the Farmers Action. Before the Farmers Action may be dismissed, Farmers will request relief from stay from the Court to dismiss the Farmers Action.</p> <p>This "lien" is subject to a bona fide dispute. The complaint commencing the Farmers Action was recorded within 90 days prior to the Petition Date and so the Trustee asserts the "lien" created by the filing of the Farmers Action is a preferential transfer that the Trustee may avoid and recover pursuant to 11 U.S.C. §§ 547 and 550.</p> <p>As it is subject to a bona fide dispute, in the event the Farmers Action has not been dismissed prior to the close of escrow on the Bend Property, pursuant to Bankruptcy Code §§ 363(b) (1) and (f)(4), the Trustee seeks to sell the Property free and clear of this "lien" with such disputed lien to attach to the proceeds of the sale in the same validity and priority as prior to the sale</p>

<u>Creditor</u>	<u>Description</u>	<u>Estimated Amount Owing</u>	<u>Treatment of Lien Through the Sale</u>
			pending agreement with the lienholder or further Court order.

All costs of sale, including escrow fees and real estate commissions will be paid at closing.

E. Approval of the Bidding Procedures.

The Trustee has determined that it would benefit the Estate to permit all interested parties to receive information and bid for the Bend Property instead of selling the Bend Property to the Buyer on an exclusive basis. Accordingly, in order to obtain the highest and best offer for the benefit of the creditors of this Estate, the Trustee is utilizing and also seeks Court approval of the following bidding procedures (“Bidding Procedures”):

1. Potential overbidder(s) must bid an initial amount of at least \$10,000.00 over the Purchase Price for the Bend Property and \$2,000.00 for the Personal Property for a total of \$2,017,000.00. Initial bid amount for just the Bend Property shall be \$2,005,000.00. The Personal Property is not available for overbidders who do not also bid on the Bend Property. Minimum bid increments, with or without the Personal Property, thereafter shall be \$5,000.00. The Trustee shall have sole discretion in determining which overbid is the best for the Estate and will seek approval from the Court of the same.

2. Overbids must be in writing and be received by the Trustee and the Trustee’s counsel, Shulman Hodges & Bastian LLP to the attention of Rika M. Kido or before **5:00 p.m. (California time) on October 16, 2018 (seven days prior to the hearing on this Sale Motion).**

3. Overbids must be accompanied by certified funds in an amount equal to three percent (3%) of the overbid purchase price.

4. The overbidder must also provide evidence of having sufficient specifically committed funds to complete the transaction, or a lending commitment for the bid amount and such other documentation relevant to the bidder’s ability to qualify as the purchaser of the Bend Property and ability to close the sale and immediately and unconditionally pay the winning bid purchase price at closing.

5. The overbidder must seek to acquire the Bend Property on terms and conditions not less favorable to the Estate than the terms and conditions to which the Buyer has agreed to purchase the Bend Property as set forth in the Agreement attached as **Exhibit “3”** to the Bui Declaration including no contingencies and closing on the sale in the same time parameters as the Buyer.

6. All competing bids must acknowledge that the Property is being sold on an “AS IS” basis without warranties of any kind, expressed or implied, being given by the Trustee, concerning the condition of the Bend Property or the quality of the title thereto, or any other matters relating to the Bend Property. The competing bid buyer must represent and warrant that

1 he/she is purchasing the Bend Property as a result of their own investigations and are not buying
2 the Bend Property pursuant to any representation made by any broker, agent, accountant, attorney
3 or employee acting at the direction, or on the behalf of the Trustee. The competing bidder must
4 acknowledge that he/she has inspected the Bend Property, and upon closing of Escrow governed
5 by the Agreement, the competing buyer forever waives, for himself/herself, his/her heirs,
6 successors and assigns, all claims against the Debtor, his agents, the Debtor's Estate, Lynda T. Bui
7 as Trustee and individually, and her attorneys, agents and employees, arising or which might
8 otherwise arise in the future concerning the Property.

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10 7. If overbids are received, the final bidding round shall be held at the hearing on the
11 Sale Motion (**October 23, 2018 at 1:00 p.m., California Time, at the U.S. Bankruptcy Court,
12 Courtroom 301, 3420 Twelfth Street, Riverside, California 92501**), or if rescheduled, upon
13 telephonic notice to the Buyer and the parties having submitted overbids in order to allow all
14 potential bidders the opportunity to overbid and purchase the Bend Property. At the final bidding
15 round, the Trustee or her counsel will, in the exercise of their business judgment and subject to
16 Court approval, accept the bidder who has made the highest and best offer to purchase the Bend
17 Property, consistent with the Bidding Procedures ("Successful Bidder").

18 8. At the hearing on the Sale Motion, the Trustee will seek entry of an order, inter
19 alia, authorizing and approving the sale of the Bend Property to the Successful Bidder. The
20 hearing on the Sale Motion may be adjourned or rescheduled without notice other than by an
21 announcement of the adjourned date at the hearing on the Sale Motion.

22 9. In the event the Successful Bidder fails to close on the sale of the Bend Property
23 within the time parameters approved by the Court, the Trustee shall retain the Successful Bidder's
24 Deposit and will be released from his obligation to sell the Bend Property to the Successful Bidder
25 and the Trustee may then sell the Property to the first back-up bidder approved by the Court at the
26 hearing on the Sale Motion ("First Back-Up Bidder").

27 10. In the event First Back-Up Bidder fails to close on the sale of the Bend Property
28 within the time parameters approved by the Court, the Trustee shall retain the First Back-Up
Bidder's Deposit and will be released from her obligation to sell the Bend Property to the First
Back-Up Bidder and the Trustee may then sell the Bend Property to the second back-up bidder
approved by the Court at the hearing on the Sale Motion ("Second Back-Up Bidder").

The Bidding Procedures will be provided to all creditors and any potential bidders or
parties who have shown an interest in the Bend Property. In addition, the Court's mandatory form
Notice of Sale of Estate Property will be filed with the Court so that notice of the sale of the
Property may be posted on the Court's website under the link "Current Notices of Sales," thereby
giving notice to any potential interested parties.

Based on the foregoing, the Trustee believes that under the circumstances of this case, the
Property will have been appropriately marketed for bidding.

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1 **F. Costs of Sale**

2 Under the listing agreement for the Bend Property, the Broker is entitled to a commission
3 on the sale in an amount not to exceed five percent (5%) of the purchase price. The Trustee seeks
4 authorization to pay a real estate broker commission in the amount of \$99,750.00² to be split as
5 follows:

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Trustee (carve-out for the Estate)	1% (or \$19,950.00)
Trustee's Broker, Strategic Realty, LLC	2% (or \$39,900.00)
Selling Broker, Keller Williams Central Oregon	2% (or \$39,900.00)
Total	5% (or \$99,750.00)

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11 The Trustee also seeks approval to use proceeds from the sale of the Bend Property to
12 reimburse her Broker in an amount not to exceed \$2,000.00 for the expenses the Broker incurred
13 and will incur for maintenance and repair of the Bend Property. This amount includes estimated
14 final bills for utilities that are to be paid by the Broker through closing and the cost of re-keying
15 the Bend Property. Attached as **Exhibit "4"** to the Bui Declaration is a true and correct copy of
16 the invoice and expense receipts that have already been paid by the Broker in the total amount of
17 \$1,203.45.

18 The Trustee also seeks approval to use proceeds from the sale of the Bend Property to pay
19 the Estate's liability insurance premiums totaling approximately \$14,049.10 through October 31,
20 2018 for the Bend Property. Attached as **Exhibit "5"** to the Bui Declaration is a true and correct
21 copy of the September 27, 2018 invoice from Trustee Insurance Agency.

22 Escrow fees shall be split between Buyer and the Estate in the manner customary in the
23 County where the Bend Property is located (Deschutes County, Oregon).

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28 ² The total amount of real estate broker's commission will increase if the purchase price for the Bend Property is increased by a successful overbid; but in no event will exceed five percent (5%) of the purchase price.

1 In summary, the costs of the sale are estimated to be \$139,650.00 (estimated at 6%,
2 including the real estate commission³), plus \$2,000.00 for the Broker's costs and the Estate's
3 insurance premiums of \$14,872.38, for a total amount of approximately \$152,958.75.

4 **G. Tax Consequences**

5 The Trustee has communicated with her accountant and believes there will be no tax
6 liability from the sale. The estimated tax basis for the Bend Property far exceeds the sale price:
7 \$1,350,000.00 for vacant land and an estimated \$10,000,000.00 for improvements made by the
8 Debtor.⁴

9 **III. ARGUMENT⁵**

10 **A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of**
11 **the Estate.**

12 The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. § 704, which
13 provides in relevant part as follows:

14 (a) The trustee shall—

15 (1) collect and reduce to money the property of the estate for which
16 such trustee serves, and close such estate as expeditiously as is
compatible with the best interests of parties in interest;

17 (2) be accountable for all property received;

18 11 U.S.C. § 704(a). Further, the Trustee, after notice and hearing, may sell property of the estate.
19 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business
20 reason for the sale and the sale is in the bests interests of the estate. *In re Wilde Horse*
21 *Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063,
22 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate approximately

23 ³ As provided above and in the Agreement, the Broker and buyer's broker have agreed to each receive two percent
24 (2%) of the commission such that the Estate will receive a carve-out of \$19,950.00. Other costs of sale, including
25 escrow costs, are estimated at one percent (1%) or \$19,995.00, but such costs are anticipated to be significantly less,
providing additional funds for the benefit of unsecured creditors.

26 ⁴ Real property records indicate there were two Warranty Deeds conveying the Bend Property to the Debtor, with the
27 actual consideration of one in the amount of \$1,150,000.00 and the other listing actual consideration of \$200,000.00.
The Debtor testified at his Section 341(a) meeting of creditors that he spent in approximately \$10,000,000.00
constructing the 10,000 square foot residence.

28 ⁵ Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be
filed in support of the Motion, the Trustee is nevertheless submitting one.

\$843,900.00 for the Bend Property, plus \$10,000.00 for the Personal Property, calculated as follows (amounts are estimated):

Sale Price (or an amount as increased by overbid)	\$1,995,000.00
<i>Less</i> costs of sale, including real estate commission (estimated at 6%)	(\$119,700.00)
<i>Less</i> real property taxes (estimated)	(\$7,834.11)
<i>Less</i> exclusive farm use property tax liability (estimated)	(\$45,958.77)
<i>Less</i> Sun Mountain Water Systems lien	(\$643.00)
<i>Less</i> payoff to the first trust deed holder, Bank of America N.A. (estimated)	(\$980,826.87)
<i>Less</i> reimbursements of costs to the Trustee's Broker (estimated)	(\$2,000.00)
<i>Less</i> payment of liability insurance premiums	(\$14,049.10)
<i>Plus</i> carve-out to Estate from broker commission	\$19,950.00
Estimated net sale proceeds from the Bend Property	\$843,938.20
Estimated net sale proceeds from the Personal Property	\$10,000.00

The Trustee believes that, from the net sale proceeds, she will be able to make a meaningful distribution to unsecured creditors in this case.

B. The Proposed Sale Should be Allowed Free and Clear of Liens.

Bankruptcy Code Section 363(f) allows a trustee to sell property of the bankruptcy estate "free and clear of any interest in such property of an entity," if any one of the following five conditions is met:

- (1) applicable non-bankruptcy law permits a sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept money satisfaction of such interest.

11 U.S.C. § 363(f).

///

1 Section 363(f) is written in the disjunctive and thus only one of the enumerated conditions
2 needs to be satisfied for Court approval to be appropriate. The Trustee is not aware of any liens
3 and encumbrances impacting the Personal Property. Out of an abundance of caution, the Trustee
4 seeks to the sell the Personal Property free and clear of any and all liens and encumbrances, with
5 all such liens and encumbrances not satisfied through the sale to attach to the proceeds of the sale
6 with the same priority, validity, force and effect as they existed with respect to the Personal
7 Property before the closing of the sale pending further Court order or agreement with the parties.
8 Accordingly, the Trustee seeks to sell the Personal Property under Section 363(f) of the
9 Bankruptcy Code

10 For the Bend Property, the Trustee proposes to sell the Bend Property under Sections
11 363(f)(3) and 363(f)(4) of the Bankruptcy Code as provided below.

12 **1. Section 363(f)(3) – Price Greater than Value.**

13 The sale of the Bend Property is proper pursuant to Section 363(f)(3). The sale price is for
14 a sum that is greater than the aggregate value of the non-disputed liens listed in the Title Report.

15 **2. Section 363(f)(4) – Bona Fide Dispute.**

16 A bona fide dispute has been defined by *In re Atwood*, 124 B.R. 402 (Bankr. S.D. Ga.
17 1991) as a “genuine issue of material fact that bears upon the debtor’s liability, or meritorious
18 contention as to the application of law to undisputed facts.” *Id.* at 407. In *In re Milford Group,*
19 *Inc.*, 150 B.R. 904 (Bankr. M.D. Pa. 1992), the court stated it need not resolve a bona fide dispute,
20 but must determine whether the issues presented are genuine as to the existence of a bona fide
21 dispute. In doing so, the court in *Milford* found that the debtor had met its burden to establish
22 cause for the court to allow for the sale of the Bend Property, free and clear of liens.

23 Here, the Title Report includes the Farmers Action as a “lien” because the complaint
24 referenced the Bend Property. The complaint in the Farmers Action was filed within 90 days prior
25 to the Petition Date and so the Trustee asserts the “lien” created by the Farmers Action is a
26 preferential transfer that the Trustee may avoid and recover pursuant to 11 U.S.C. §§ 547 and 550.
27 While the Trustee expects that the Farmers Action will be dismissed prior to closing on the sale of
28 the Bend Property, out of an abundance of caution, as it is subject to a bona fide dispute pursuant

1 to Bankruptcy Code §§ 363(b) (1) and (f)(4), the Trustee seeks to sell the Bend Property free and
2 clear of this “lien” with such disputed lien to attach to the proceeds of the sale in the same validity
3 and priority as prior to the sale pending agreement with the lienholder or further Court order.
4 Thus, approval for the sale free and clear of the lien as a disputed lien pursuant to Bankruptcy
5 Code § 363(f)(4) is appropriate.

6 **C. Request for Payment of Real Estate Commission to Broker and Other Costs.**

7 Section 328 of the Bankruptcy Code allows employment of a professional person under
8 Section 327 “on any reasonable terms and conditions of employment, including on a retainer, on
9 an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. §
10 328(a). Through this Sale Motion, the Trustee seeks authorization to pay a real estate broker
11 commission not exceed a total of five percent (5%) of the final purchase price to be split as
12 follows: 1% for the Estate, 2% for the Trustee’s Broker (Strategic Realty, LLC) and 2% for the
13 Selling Broker (Keller Williams Central Oregon).

14 In addition, the Trustee seeks approval to use proceeds from the sale to reimburse the
15 Broker an amount not to exceed \$2,000.00 for the expenses he incurred and will incur for the
16 maintenance and repair of the Bend Property. This amount includes estimated final bills for
17 utilities that are to be paid by the Broker through closing of the sale and the cost to have the Bend
18 Property re-keyed. (See Bui Declaration, Ex. 4)

19 The Trustee also seeks approval to use proceeds from the sale of the Bend Property to pay
20 the Estate’s liability insurance premiums totaling approximately \$14,049.10 through October 31,
21 2018 for the Bend Property. (See Bui Declaration, Ex. 5)

22 **D. The Court Has the Authority to Approve the Bidding Procedures**

23 Implementing the Bidding Procedures is an action outside of the ordinary course of the
24 business. Section 363(b)(1) of the Bankruptcy Code provides that a trustee “after notice and
25 hearing, may use, sell or lease, other than in the ordinary course of business, property of the
26 estate.” 11 U.S.C. § 363(b)(1). Furthermore, under Bankruptcy Code Section 105(a), “[t]he court
27 may issue any order, process, or judgment that is necessary or appropriate to carry out the
28 provisions of this title.” 11 U.S.C. § 105(a). Thus, pursuant to Sections 363(b)(1) and 105(a) of

1 the Bankruptcy Code, this Court may approve the Bidding Procedures, which will assist the
2 Trustee to obtain the best possible price on the best possible terms for the Bend Property.

3 **E. The Court Has the Authority to Waive the Fourteen-Day Stay of Sale.**

4 Federal Rule of Bankruptcy Procedure 6004(h) provides that “[a]n order authorizing the
5 use, sale or lease of property other than cash collateral is stayed until the expiration of 14 days
6 after entry of the order, unless the Court orders otherwise.” Fed. Rule Bankr. P. 6004(h).

7 The Trustee desires to close the sale of the Bend Property as soon as practicable after entry
8 of an order approving the sale. Accordingly, the Trustee requests that the Court, in the discretion
9 provided it under Federal Rule of Bankruptcy Procedure 6004(h), waive the fourteen (14) day stay
10 requirement.

11 **IV. CONCLUSION**

12 Based on the reasons set forth above, the Trustee respectfully request submits that good
13 cause exists for granting the Sale Motion and requests that the Court enter an order as follows:

14 1. Approving the Bidding Procedures set forth above for the sale of the Bend
15 Property.

16 2. Authorizing the Trustee to sell the Bend Property on an as-is, where-is basis,
17 without any warranties or representations, to the Buyer (or Successful Bidder) pursuant to the
18 terms and conditions as set forth in the Agreement attached as **Exhibit “3”** to the Bui Declaration.

19 3. Authorizing the Trustee to sell the Personal Property to the Buyer or to Successful
20 Bidder.

21 4. Authorizing the sale of the Bend Property and the Personal Property free and clear
22 of liens, with liens not satisfied through the sale to attach to the sale proceeds in the same validity
23 and priority as prior to the closing of the sale.

24 5. Authorizing the Trustee to pay from the proceeds of the sale of the Bend Property
25 all ordinary and customary costs of sale, including escrow fees.

26 6. Authorizing the Trustee to sign any and all documents convenient and necessary in
27 pursuit of the sale as set forth above, including but not limited to any and all conveyances
28 contemplated by the Agreement attached as **Exhibit “3”** to the Bui Declaration.

7. Approving the payment of the real estate commission in the total amount not to exceed five percent (5%) of the purchase price.

8. Authorizing the Trustee to pay liens, costs of sale and other expenses directly from the sale proceeds at the close of escrow including: (i) all real estate taxes owed to the Deschutes County Treasurer and Tax Collector, (ii) exclusive farm use tax liabilities owed to the Deschutes County Treasurer and Tax Collector, (iii) all amounts owed to Sun Mountain Water Systems; (iv) all amounts owed to BofA, (v) real estate commission not to exceed 5%, and (vi) escrow fees which shall be split between Buyer and Estate in the manner customary in the County where the Property is located (Deschutes County, Oregon).

9. Authorizing the Trustee to use the proceeds from the sale of the Bend Property to (i) reimburse the Broker's costs related to the Bend Property in the amount not to exceed \$2,000.00, and (ii) pay the Estate's liability insurance premium in the amount of \$14,049.10.

10. Determining that the Buyer is in good faith pursuant to Bankruptcy Code Section 363(m).

11. Waiving the fourteen day stay of the order approving the sale of the Oregon Ranch under Federal Rules of Bankruptcy Procedure 6004(h).

12. For such other and further relief as the Court deems just and proper under the circumstances of this case.

Respectfully submitted,

Dated: October 2, 2018

SHULMAN HODGES & BASTIAN LLP

/s/ Rika M. Kido

Leonard M. Shulman

Rika M. Kido

Attorneys for Lynda T. Bui, Chapter 7 Trustee
for the bankruptcy estate of Russel Dennis Hiles, III

DECLARATION OF LYNDA T. BUI

I, Lynda T. Bui, declare and state as follows:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate of Russel Dennis Hiles, III, Case No. 6:16-bk-16877-WJ ("Debtor"). I have personal knowledge of the facts set forth herein, and if called and sworn as a witness, I could and would competently testify thereto, except where matters are stated on information and belief, in which case I am informed and believe that the facts so stated are true and correct.

2. I am familiar with the Debtor's bankruptcy case and make this Declaration in support of my Motion for Order: (1) Approving the Sale of Real Property of the Estate Free and Clear of Certain Liens Pursuant to Bankruptcy Code §§ 363(b)(1) and (f), Subject to Overbids, Combined With Notice of Bidding Procedures and Request for Approval of the Bidding Procedures Utilized; (2) Approving Sale of Personal Property Free and Clear of All Liens, Claims and Encumbrances Pursuant to 11 U.S.C. § 363(f); (3) Approving Payment of Real Estate Commission and Other Costs; and (3) Granting Related Relief ("Sale Motion"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Sale Motion.

3. I have read and I am aware of the contents of the Sale Motion and the accompanying Memorandum of Points and Authorities. The facts stated in the Sale Motion and the Memorandum of Points and Authorities are true to the best of my knowledge.

4. The deadline for filing proofs of claim in this case was April 9, 2018. The Court's claims register indicates there have been thirty claims filed totaling \$22,779,381.46, consisting \$3,956,552.40 in secured claims, \$4,210,470.09, in priority unsecured claims, \$325.00 in administrative claims, and \$14,612,033.97 in general unsecured claims.

5. Attached hereto as **Exhibit "1"** is true and copy of the Preliminary Title Report dated September 13, 2018 ("Title Report").

6. Pursuant to a recent Payoff Statement, I am advised that the amount due to BofA through October 9, 2018 is \$980,826.87. Attached hereto as **Exhibit "2"** is a true and correct copy of the BofA Payoff Statement good through October 9, 2018.

///

1 7. I am informed and believe that the Debtor significantly over-stated the value of the
2 Personal Property. I am informed by a local auctioneer that the Personal Property, after a
3 piecemeal auction sale, has a total estimated liquidation value of approximately \$10,000.00 to
4 \$25,000.00. If I were to auction the Personal Property for sale, the net to the Estate would be less
5 after deducting the auctioneer's commission (25% to 50% to compensate the auctioneer for
6 advertising and labor costs to set up and conduct the auction).

7 8. The Estate does not have the funds to obtain a formal written appraisal for the
8 estimated value of the Bend Property. The Broker is experienced in the sale of real property as
9 well as property valuations and is familiar with valuing real property in today's economic
10 environment. After conducting an on-site inspection, the Broker informed me that the Bend
11 Property may be worth approximately \$2,995,000.00 and that the Broker recommended listing the
12 Property for sale at \$2,995,000.00.

13 9. Through my Broker, I have marketed the Bend Property for over seven (7) months.
14 I have received only two offers for the Bend Property. The first potential buyer offered less than
15 the current Buyer (defined below). The offer from the Buyer that is the subject of this Sale
16 Motion is the best and highest offer received for the Bend Property. The Buyer's offer is the result
17 of negotiations between the Buyer and I for the highest and best offer.

18 10. Through my Broker I received an offer from the Buyer, Drew Hood, who has
19 offered to purchase the Bend Property for \$1,995,000.00, subject to overbids. The purchase price
20 includes a deposit of \$25,000.00. The Buyer has also offered to purchase the Personal Property
21 for \$10,000.00. Attached hereto as **Exhibit "3"** is a true and correct copy of the Residential Real
22 Estate Sale Agreement and related addendum (collectively the "Agreement").

23 11. In the Sale Motion, I seek approval to use proceeds from the sale of the Bend
24 Property to reimburse her Broker in an amount not to exceed \$2,000.00 for the expenses the
25 Broker incurred and will incur for maintenance and repair of the Bend Property. This amount
26 includes estimated final bills for utilities that are to be paid by the Broker through closing and the
27 cost of re-keying the Bend Property. Attached hereto **Exhibit "4"** are true and correct copies of
28

1 the invoice and expense receipts that have already been paid by the Broker in the total amount of
2 \$1,203.45.

3 12. In the Sale Motion, I also seek approval to use proceeds from the sale of the Bend
4 Property to pay the Estate's liability insurance premiums totaling approximately \$14,049.10
5 through October 31, 2018 for the Bend Property. Attached hereto as **Exhibit "5"** is a true and
6 correct copy of the September 27, 2018 invoice from Trustee Insurance Agency.

7 13. I have communicated with my accountant and believes there will be no tax liability
8 from the sale. The estimated tax basis for the Bend Property far exceeds the sale price:
9 \$1,350,000.00 for vacant land and an estimated \$10,000,000.00 for improvements made by the
10 Debtor.⁶

11 14. Through the sale, I expect to net the Estate approximately \$843,900.00 for the
12 Bend Property, plus \$10,000.00 for the Personal Property, for a total of \$853,900.00, which will
13 benefit the Estate by providing funds for a distribution to holders of unsecured claims.

14 15. For the reasons set forth in the Sale Motion and this Declaration, I believe that
15 good cause exists to grant the Sale Motion and respectfully request that the Court grant the Sale
16 Motion so that I do not lose this favorable business opportunity to provide a significant benefit to
17 the Estate.

18 I declare under penalty of perjury pursuant to the laws of the United States of America that
19 the foregoing is true and correct.

20 EXECUTED on October 2, 2018, at Irvine, California.

21
22 
23 Lynda T. Bui

24
25
26
27 ⁶ Real property records indicate there were two Warranty Deeds conveying the Bend Property to the Debtor, with the
28 actual consideration of one in the amount of \$1,150,000.00 and the other listing actual consideration of \$200,000.00.
The Debtor testified at his Section 341(a) meeting of creditors that he spent in approximately \$10,000,000.00
constructing the 10,000 square foot residence.

Exhibit 1

Title Report



PRELIMINARY REPORT

In response to the application for a policy of title insurance referenced herein Western Title & Escrow Company hereby reports that it is prepared to issue, or cause to be issued, as of the specified date, a policy or policies of title insurance describing the land and the estate or interest hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.

The printed Exceptions and Exclusions from the coverage of said policy or policies are set forth in Exhibit One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Copies of the policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby.

The policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a/an Florida corporation.

Please read the exceptions shown or referred to herein and the Exceptions and Exclusions set forth in Exhibit One of this report carefully. The Exceptions and Exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.

This preliminary report is for the exclusive use of the parties to the contemplated transaction, and the Company does not have any liability to any third parties nor any liability until the full premium is paid and a policy is issued. Until all necessary documents are placed of record, the Company reserves the right to amend or supplement this preliminary report.

Countersigned

A handwritten signature in black ink, appearing to be "al BTD", is written over a horizontal line.



360 SW Bond Street, Suite 100, Bend, OR 97702
(541)389-5751 FAX (541)330-1242

PRELIMINARY REPORT

ESCROW OFFICER: Christina A. Moore
christina.moore@westerntitle.com
541-330-1214

ORDER NO.: WT0161795
Revision 2 (Update 12 and 13,
delete 17 and 21)

TITLE OFFICER: Dave I. Hemmerling
Email: titleofficersupport@westerntitle.com

TO: Western Title & Escrow Company
360 SW Bond Street, Suite 100
Bend, OR 97702

ESCROW LICENSE NO.: 870700109

OWNER/SELLER: Lynda T. Bui

BUYER/BORROWER: Drew Hood

PROPERTY ADDRESS: 66876 Gist Road (Parcel 3), Bend, OR 97703
17265 Plainview Road (Parcel 2), Bend, OR 97703
17345 Plainview Road (Parcel 1), Bend, OR 97703
66822 Gist Road (Parcel 3), Bend, OR 97703

EFFECTIVE DATE: September 13, 2018, 05:00 PM

1. THE POLICY AND ENDORSEMENTS TO BE ISSUED AND THE RELATED CHARGES ARE:

	<u>AMOUNT</u>	<u>PREMIUM</u>
ALTA Owner's Policy 2006 Owner's Standard	\$ 1,995,000.00	\$ 3,593.00
ALTA Loan Policy 2006 Extended Lender's Proposed Insured: Blue Ridge Bank and Trust Co.	\$ 1,200,000.00	\$ 820.00
OTIRO 209.10-06 - Restrictions, Encroachments, Minerals - Current Violations (ALTA 9.10-06)		\$ 100.00
OTIRO 222-06 - Location (ALTA 22-06)		\$ 0.00
OTIRO 208.1-06 - Environmental Protection Lien (ALTA 8.1-06)		\$ 0.00
Government Lien Search		\$ 100.00

2. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee Simple

3. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Russel D. Hiles

4. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE CITY OF BEND, COUNTY OF DESCHUTES, STATE OF OREGON, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Order No.: WT0161795
Revision 2 (Update 12 and 13, delete 17 and 21)

PRELIMINARY REPORT
(continued)

EXHIBIT "A"
Legal Description

Parcel 1:

A Parcel of land situated in the Southwest Quarter (SW1/4) of Section 31, Township 15 South, Range 11, East of the Willamette Meridian, Deschutes County, Oregon, described as follows:

That portion of the Southeast Quarter of the Southwest Quarter (SE1/4 SW1/4) of said Section 31, lying South of Plainview Road and lying West of Sisemore Road and lying North of that certain parcel of land described in Volume 132, Page 421, of Deed Records.

Parcel 2:

Parcel 2 of Partition Plat No. 2000-55, Plat filed October 13, 2000 in the office of the County Clerk for Deschutes County, Oregon.

Parcel 3:

Parcel 1 of Partition Plat 2000-55, Plat filed October 13, 2000 in the office of the County Clerk for Deschutes County, Oregon.

AS OF THE DATE OF THIS REPORT, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN THE POLICY FORM WOULD BE AS FOLLOWS:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims, which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, which are not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the Land onto adjoining land or of existing improvements located on adjoining land onto the subject Land), encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien or right to a lien for services, labor, material, equipment rental or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

SPECIFIC ITEMS AND EXCEPTIONS:

6. Property taxes in an undetermined amount, which are a lien but not yet payable, including any assessments collected with taxes to be levied for the fiscal year 2018-2019.
7. Unpaid Property Taxes are as follows:

Fiscal Year:	2015-2016
Amount:	\$27.15, plus interest, if any
Fiscal Year:	2016-2017
Amount:	\$28.96, plus interest, if any
Fiscal Year:	2017-2018
Amount:	\$29.39, plus interest, if any
Levy Code:	6012
Account No.:	169610
Map No.:	1511310000099
(Parcel 1)	

Unpaid Property Taxes are as follows:

Fiscal Year: 2014-2015
Original Amount: \$1,813.18, plus interest, if any
Balance Due: \$16.12

Fiscal Year: 2015-2016
Amount: \$1,934.79, plus interest, if any

Fiscal Year: 2016-2017
Amount: \$2,064.77, plus interest, if any

Fiscal Year: 2017-2018
Amount: \$2,098.32, plus interest, if any
Levy Code: 6012
Account No.: 201617
Map No.: 1511310002201
(Parcel 2)

Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

8. Note: Property taxes for the fiscal year shown below are paid in full.

Fiscal Year: 2017-2018
Amount: \$18,554.87
Levy Code: 6012
Account No.: 130924
Map No.: 1511310002200
(Parcel 3)

Note: Property taxes for the fiscal year shown below are paid in full.

Fiscal Year: 2017-2018
Amount: \$1,966.76
Levy Code: 6012
Account No.: 130923
Map No.: 1513310002300
(Parcel 3)

9. As disclosed by the assessment and tax roll, the premises herein were once specially assessed for farmland, forestland or other special assessment status and later disqualified. Per ORS 308A.700 to 308A.733, additional taxes were imposed and remain as potential additional tax liability for the property. A check with the Assessor's office will be necessary to determine the effect and continuation of the additional tax liability.

Potential Additional Tax Liability Amount: \$34,315.34
(Parcel 3)

10. As disclosed by the assessment and tax roll, the premises herein were once specially assessed for farmland, forestland or other special assessment status and later disqualified. Per ORS 308A.700 to 308A.733, additional taxes were imposed and remain as potential additional tax liability for the property. A check with the Assessor's office will be necessary to determine the effect and continuation of the additional tax liability.

Additional Tax Liability Amount: \$11,643.43
(Parcel 3)
11. Regulations, including levies, liens, assessments, water and easements of the Sun Mountain Water Systems, Inc.
12. Rights of the public to any portion of the Land lying within the area commonly known as streets or highways.
(Affects Parcel I)
13. The existence of roads, railroads, irrigation ditches and canals, telephone, telegraph and power transmission facilities.
(Affects Parcel I)
14. A 30' easement along the existing water lines for utility and maintenance purposes, as disclosed in Quitclaim Deed

Recording Date: August 10, 1983
Recording No.: 22-926
(Affects Parcel 1)
15. An easement which grants "Sun Mountain Water System, Inc.", the right to ingress and egress over and across said parcel(s) of land for the purpose of maintenance and upkeep of the existing "Sun Mountain Water System, Inc.," water storage and distribution system, as disclosed in Warranty Deed

Recording Date: November 21, 1988
Recording No.: 174-1456
16. Subject to the rights of those who benefit by existing "Three Creeks Water Rights" for ingress and egress over and across said parcel of land(s) for the purpose of maintenance and upkeep of the reservoir and ditch system, as disclosed in Warranty Deed

Recording Date: November 21, 1988
Recording No.: 174-1456
17. [Intentionally Deleted]
18. Terms, provisions and conditions, including, but not limited to, maintenance provisions, and a covenant to share the costs of maintenance, contained in Utilities Easement

Recording Date: August 15, 2002
Recording No.: 2002-44355
(Parcel 3)

19. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$862,500.00
Dated: September 17, 2008
Trustor/Grantor: Russel D. Hiles
Trustee: First American Title Insurance Company
Beneficiary: Bank of America, NA
Loan No.: 6499152996
Recording Date: September 23, 2008
Recording No.: 2008-38837
(Affects Parcel 3)

20. Farm and Forest Management Easement-Replacement Dwelling

Recording Date: September 30, 2010
Recording No.: 2010-38663
(Affects Parcel 3)

21. [Intentionally Deleted]

22. A pending court action:

Plaintiff: Farmers Insurance Exchange, an inter-insurance exchange
Defendant: Russel D. Hiles
County: Deschutes
Court: Circuit
Case No.: 16CV20120
Dated Filed: June 24, 2016
Nature of Action: Fraudulent Transfer, Provisional Process

23. Any matters arising out of or by virtue of that certain bankruptcy case:

Name of Debtor: Russel Dennis Hiles, III
Date of Filing: August 1, 2016
U. S. District Court: Central
State: California
Case No.: 6:16-bk-16877-WJ
Chapter: 7
Attorney: Robert P. Goe & Charity J. Miller, Goe & Forsythe LLP
Attorney's Address: 18101 Von Karman, Ste 1200, Irvine, CA 92612
Attorney's Phone No: 949-798-2460
Name of Trustee: Lynda T. Bui

ADDITIONAL REQUIREMENTS/NOTES:

- A. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- B. In addition to the standard policy exceptions, the exceptions enumerated above shall appear on the final 2006 ALTA Policy unless removed prior to issuance.

- C. Note: There are no matters against the party(ies) shown below which would appear as exceptions to coverage in a title insurance product:
- Parties: Drew Hood
- D. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
- E. If requested to issue an extended coverage ALTA loan policy, the following matters must be addressed:
- a) The rights of tenants holding under unrecorded leases or tenancies
 - b) Matters disclosed by a statement as to parties in possession and as to any construction, alterations or repairs to the Land within the last 75 days. The Company must be notified in the event that any funds are to be used for construction, alterations or repairs.
 - c) Any facts which would be disclosed by an accurate survey of the Land
- F. THE FOLLOWING NOTICE IS REQUIRED BY STATE LAW: YOU WILL BE REVIEWING, APPROVING AND SIGNING IMPORTANT DOCUMENTS AT CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE DOCUMENTS. YOU MAY CONSULT AN ATTORNEY ABOUT THESE DOCUMENTS. YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE TRANSACTION OR ABOUT THE DOCUMENTS. IF YOU WISH TO REVIEW TRANSACTION DOCUMENTS THAT YOU HAVE NOT SEEN, PLEASE CONTACT THE ESCROW AGENT.
- G. Note: No utility search has been made or will be made for water, sewer or storm drainage charges unless the City/Service District claims them as liens (i.e. foreclosable) and reflects them on its lien docket as of the date of closing. Buyers should check with the appropriate city bureau or water service district and obtain a billing cutoff. Such charges must be adjusted outside of escrow.
- H. Note: This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances or acreage shown thereon.
- I. Note: Recording charge per document for:
Deschutes County - \$93.00 for the first page, \$5.00 for each additional page

E-recording fee is an additional \$5.00 per document

Send Recording Packages to:

Western Title & Escrow Company
Attention: Recording
360 SW Bond, Suite 100
Bend, OR 97702
Email: desrecording@westerntitle.com

EXHIBIT ONE

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning) restricting, regulating, prohibiting or relating to:
 - the occupancy, use, or enjoyment of the Land;
 - the character, dimensions or location of any improvement erected on the land;
 - the subdivision of land; or
 - environmental protection;or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters:
 - created, suffered, assumed or agreed to by the Insured Claimant;
 - not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;

- resulting in no loss or damage to the Insured Claimant;
 - attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with the applicable doing-business laws of the state where the Land is situated.
 - Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 - Any claim, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
 - a fraudulent conveyance or fraudulent transfer, or
 - a preferential transfer for any reason not stated in the Covered Risk 13(b) of this policy.
 - Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

SCHEDULE B - GENERAL EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
- Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
- Any lien for services, labor or material heretofore or hereafter furnished, or for contributions due to the State of Oregon for unemployment compensation or worker's compensation, imposed by law and not shown by the Public Records.

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning) restricting, regulating, prohibiting or relating to:
 - the occupancy, use, or enjoyment of the Land;
 - the character, dimensions or location of any improvement erected on the land;
 - the subdivision of land; or
 - environmental protection;or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters:
 - created, suffered, assumed or agreed to by the Insured Claimant;

- not known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - resulting in no loss or damage to the Insured Claimant;
 - attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
 - a fraudulent conveyance or fraudulent transfer, or
 - a preferential transfer for any reason not stated in the Covered Risk 9 of this policy.
 - Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage.

SCHEDULE B - GENERAL EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
- Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof, water rights, claims or title to water.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
- Any lien for services, labor or material heretofore or hereafter furnished, or for contributions due to the State of Oregon for unemployment compensation or worker's compensation, imposed by law and not shown by the Public Records.



Inquire before you wire!

WIRE FRAUD ALERT

This Notice is not intended to provide legal or professional advice.
If you have any questions, please consult with a lawyer.

All parties to a real estate transaction are targets for wire fraud and many have lost hundreds of thousands of dollars because they simply relied on the wire instructions received via email, without further verification. **If funds are to be wired in conjunction with this real estate transaction, we strongly recommend verbal verification of wire instructions through a known, trusted phone number prior to sending funds.**

In addition, the following non-exclusive self-protection strategies are recommended to minimize exposure to possible wire fraud.

- **NEVER RELY** on emails purporting to change wire instructions. Parties to a transaction rarely change wire instructions in the course of a transaction.
- **ALWAYS VERIFY** wire instructions, specifically the ABA routing number and account number, by calling the party who sent the instructions to you. DO NOT use the phone number provided in the email containing the instructions, use phone numbers you have called before or can otherwise verify. **Obtain the number of relevant parties to the transaction as soon as an escrow account is opened.** DO NOT send an email to verify as the email address may be incorrect or the email may be intercepted by the fraudster.
- **USE COMPLEX EMAIL PASSWORDS** that employ a combination of mixed case, numbers, and symbols. Make your passwords greater than eight (8) characters. Also, change your password often and do NOT reuse the same password for other online accounts.
- **USE MULTI-FACTOR AUTHENTICATION** for email accounts. Your email provider or IT staff may have specific instructions on how to implement this feature.

For more information on wire-fraud scams or to report an incident, please refer to the following links:

Federal Bureau of Investigation:

<http://www.fbi.gov>

Internet Crime Complain Center:

<http://www.ic3.gov>

**FIDELITY NATIONAL FINANCIAL
PRIVACY NOTICE
Revised May 1, 2018**

Fidelity National Financial, Inc. and its majority-owned subsidiary companies (collectively, "FNF", "our," or "we") respect and are committed to protecting your privacy. This Privacy Notice explains how we collect, use, and protect personal information, when and to whom we disclose such information, and the choices you have about the use and disclosure of that information.

Types of Information Collected

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- identity information (e.g. Social Security Number, driver's license, passport, or other government ID number);
- financial account information (e.g. loan or bank account information); and
- other personal information necessary to provide products or services to you.

Browsing Information. FNF may automatically collect the following types of Browsing Information when you access an FNF website, online service, or application (each an "FNF Website") from your Internet browser, computer, and/or mobile device:

- Internet Protocol (IP) address and operating system;
- browser version, language, and type;
- domain name system requests; and
- browsing history on the FNF Website, such as date and time of your visit to the FNF Website and visits to the pages within the FNF Website.

How Personal Information is Collected

We may collect Personal Information about you from:

- information we receive from you on applications or other forms;
- information about your transactions with FNF, our affiliates, or others; and
- information we receive from consumer reporting agencies and/or governmental entities, either directly from these entities or through others.

How Browsing Information is Collected

If you visit or use an FNF Website, Browsing Information may be collected during your visit. Like most websites, our servers automatically log each visitor to the FNF Website and may collect the Browsing Information described above. We use Browsing Information for system administration, troubleshooting, fraud investigation, and to improve our websites. Browsing Information generally does not reveal anything personal about you, though if you have created a user account for an FNF Website and are logged into that account, the FNF Website may be able to link certain browsing activity to your user account.

Other Online Specifics

Cookies. When you visit an FNF Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. Information gathered using cookies helps us improve your user experience. For example, a cookie can help the website load properly or can customize the display page based on your browser type and user preferences. You can choose whether or not to accept cookies by changing your Internet browser settings. Be aware that doing so may impair or limit some functionality of the FNF Website.

Web Beacons. We use web beacons to determine when and how many times a page has been viewed. This information is used to improve our websites.

Do Not Track. Currently our FNF Websites do not respond to "Do Not Track" features enabled through your browser.

Links to Other Sites. FNF Websites may contain links to other websites. FNF is not responsible for the privacy practices or the content of any of those other websites. We advise you to read the privacy policy of every website you visit.

Use of Personal Information

FNF uses Personal Information for three main purposes:

- To provide products and services to you or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you about our, our affiliates', and third parties' products and services, jointly or independently.

When Information Is Disclosed

We may make disclosures of your Personal Information and Browsing Information in the following circumstances:

- to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to nonaffiliated service providers who provide or perform services or functions on our behalf and who agree to use the information only to provide such services or functions;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to jointly market financial products or services to you;
- to law enforcement or authorities in connection with an investigation, or in response to a subpoena or court order; or
- in the good-faith belief that such disclosure is necessary to comply with legal process or applicable laws, or to protect the rights, property, or safety of FNF, its customers, or the public.

The law does not require your prior authorization and does not allow you to restrict the disclosures described above. Additionally, we may disclose your information to third parties for whom you have given us authorization or consent to make such disclosure. We do not otherwise share your Personal Information or Browsing Information with nonaffiliated third parties, except as required or permitted by law.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of bankruptcy, reorganization, insolvency, receivership, or an assignment for the benefit of creditors. By submitting Personal Information and/or Browsing Information to FNF, you expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings.

Please see "**Choices With Your Information**" to learn the disclosures you can restrict.

Security of Your Information

We maintain physical, electronic, and procedural safeguards to guard your Personal Information. We limit access to nonpublic personal information about you to employees who need to know that information to do their job. When we provide Personal Information to others as discussed in this Privacy Notice, we expect that they process such information in compliance with our Privacy Notice and in compliance with applicable privacy laws.

Choices With Your Information

If you do not want FNF to share your information with our affiliates to directly market to you, you may send an "opt out" request by email, phone, or physical mail as directed at the end of this Privacy Notice. We do not share your Personal Information with nonaffiliates for their use to direct market to you.

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you.

For California Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties, except as permitted by California law.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information or Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not disclose information about you creditworthiness to our affiliates and will not disclose your personal information, financial information, credit report, or health information to nonaffiliated third parties to market to you, other than as permitted by Vermont law, unless you authorize us to make those disclosures.

Information From Children

The FNF Websites are meant for adults and are not intended or designed to attract persons under the age of eighteen (18). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian.

International Users

FNF's headquarters is located within the United States. If you reside outside the United States and choose to provide Personal Information or Browsing Information to us, please note that we may transfer that information outside of your country of residence for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection, transfer, and use of such information in accordance with this Privacy Notice.

FNF Website Services for Mortgage Loans

Certain FNF companies provide services to mortgage loan servicers, including hosting websites that collect customer information on behalf of mortgage loan servicers (the "Service Websites"). The Service Websites may contain links to both this Privacy Notice and the mortgage loan servicer or lender's privacy notice. The sections of this Privacy Notice titled When Information is Disclosed, Choices with Your Information, and Accessing and Correcting Information do not apply to the Service Websites. The mortgage loan servicer or lender's privacy notice governs use, disclosure, and access to your Personal Information. FNF does not share Personal Information collected through the Service Websites, except (1) as required or authorized by contract with the mortgage loan servicer or lender, or (2) as required by law or in the good-faith belief that such disclosure is necessary to comply with a legal process or applicable law, to enforce this Privacy Notice, or to protect the rights, property, or safety of FNF or the public.

Your Consent To This Privacy Notice; Notice Changes

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information in accordance with this Privacy Notice. We may change this Privacy Notice at any time. The revised Privacy Notice, showing the new revision date, will be posted on the FNF Website. Each time you provide information to us following any amendment of this Privacy Notice, your provision of information to us will signify your assent to and acceptance of the terms of the revised Privacy Notice for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

Accessing and Correcting Information; Contact Us

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing for affiliate marketing, send your requests via email to privacy@fnf.com, by phone to (888) 934-3354, or by mail to:

Fidelity National Financial, Inc.
601 Riverside Avenue,
Jacksonville, Florida 32204
Attn: Chief Privacy Officer

Exhibit 2

Bank of America Payoff

C3 3547 S310L1 21279 01/12/2018

Bank of America



Home Loans

Payoff Department
Tampa Mail Services
PO Box 31785
Tampa, FL 33631-3785

TONIA WOOTEN
3750 UNIVERSITY AVE, STE 670
RIVERSIDE, CA 92501

PAYOFF STATEMENT

**Good Through Date and/or
Proposed Closing Date
October 9, 2018**

Statement Date
September 25, 2018

Bank of America, N.A.
Loan No.: 317-9

Name & Property Address:
Russel D Hiles
66876 & 66822 Gist Rd
Bend, OR 97701

Faxed to: 1-949-340-3000

This loan is in Bankruptcy.
(CONV-JUMBO)

PAYOFF CALCULATION

Principal Balance as of 03/01/2016	\$783,134.56
Interest from 03/01/2016 to 10/09/2018	150,469.20
County Recording Fee*	93.00
Uncollected Late Charges	893.55
Other Amounts Due ⁽²⁾	750.00
Escrow Balance Due	45,486.56
Total Amount Required to Release Lien (As of October 9, 2018)	\$980,826.87

⁽²⁾ Other Amounts Due details can be found in the "Other Amounts Due" table below.

*For California properties this includes the Building Homes and Jobs Act fee of \$75.

Amended Payoff Statements are sent automatically if the total amount due increases before OCTOBER 9, 2018.

To provide you with the convenience of an extended 'Statement Void After' date, the Total Amount Due may include estimated fees, costs, additional payments and/or escrow disbursements that will become due prior to the 'Statement Void After' date, but which are not yet due as of the date this Payoff Statement is issued. You will receive a refund if you pay the Total Amount Due and those anticipated fees, expenses, or payments have not been incurred.

INTEREST CALCULATIONS

For all full month payment periods, interest is calculated on a monthly basis. Accordingly, interest for all full months, including February, is calculated as 30/360 of annual interest, irrespective of the actual number of days in the month. For partial months, interest is calculated daily on the basis of a 365 day year.

Adjustable rate mortgage loans may have more than one interest rate in effect during the period in which this payoff statement applies. Amended payoff statements are sent automatically if the total amount due increases before October 9, 2018.

Daily Interest ⁽¹⁾	From	To	Interest Rate
158.2360	10/01/2018	10/09/2018	7.3750

⁽¹⁾Daily Interest = Principal Balance x Interest Rate ÷ 365

EXHIBIT 2

Exhibit 3

Purchase Agreement



Sale Agreement # 07072018NJ

CONTINGENT RIGHT TO PURCHASE

1 Buyer(s) Drew Hood and/or assigns

2 Seller(s) Lynda T. Bui, trustee

3 Property Address 66876 Gist Rd., Bend, OR 97703 ("Seller's Property")

4 **1. The Contingency**

5 This transaction is contingent upon the sale and closing of Buyer's real property ("the Contingency") located at:

6 64155 Hunnell Rd., Bend OR 97703 ("Buyer's Property").

7 **2. Status of Listing of Buyer's Property. Select one:**

- 8 ☐ Buyer's Property is currently listed for sale with a licensed real estate agent where said Property is located;
- 9 ☒ Buyer's Property will be listed for sale with a licensed real estate agent where said Property is located, within 7 business days (three
- 10 [3] if not filled in) after Seller has signed and accepted the Sale Agreement.

11 Buyer agrees to keep Buyer's Property continuously listed until the transaction is closed, or terminated, whichever first occurs, and Buyer will

12 promptly provide Seller, upon request, with reasonable written evidence thereof. Unless the parties otherwise agree in writing, Buyer's failure to

13 comply with any of the above representations shall result in the automatic termination of the transaction, and Buyer's earnest money deposit

14 shall thereupon be promptly refunded, and Seller may thereupon commence marketing the Property for sale through the applicable MLS.

15 **3. Acknowledgement of Related Forms and Additional Terms.** OREF-083A ("Notice to Seller") and OREF-083B ("Notice to Buyer") contain

16 certain additional terms under which this transaction will continue. Those new terms are set forth in "Alternative One" and "Alternative Two" in

17 both Notices. By their signatures below, Buyer and Seller acknowledge that they have reviewed and understand them. If not fully understood,

18 the parties should first obtain clarification through their respective Agents.

19 **4. No Buyer Waiver of Contingency.** Except as provided in both Notices, or as otherwise agreed in writing by the parties, the Contingency may

20 not be waived by Buyer.

21 **5. Bumpable Status.** Prior to Buyer's delivery of the Notice to Seller on or before the Contingency Deadline, as defined at Section 6, below, or

22 Seller's delivery of the Notice to Buyer pursuant to Section 6, below, Seller's Property may remain on the market in a "Bumpable", or

23 "active/contingent" status, or words to that effect, on the applicable multiple listing service.

24 **6. Buyer Delivery of Notice to Seller by Contingency Deadline.**

25 Unless Seller has received another offer to purchase Seller's Property that is acceptable to Seller, as described at Section 7 below, Buyer shall

26 deliver the Notice to Seller on or before 5:00 p.m. on see additional, _____ ("Contingency Deadline"), stating whether or not Buyer

27 has an accepted written offer on Buyer's Property, in which case Seller's Property shall thereafter show as "Pending" (or words to that effect) on

28 the applicable multiple listing service. However, Buyer's failure to timely deliver said Notice on or before the Contingency Deadline shall result

29 in the automatic termination of this transaction, and Buyer's earnest money deposit shall thereupon be promptly refunded.

30 **7. Seller Receives Another Written Offer Acceptable To Seller.**

31 If, prior to the Contingency Deadline and Buyer's delivery of the Notice to Seller, Seller receives another written offer to purchase Seller's Property

32 acceptable to Seller, Seller shall promptly deliver the Notice to Buyer. Upon delivery of said Notice, Buyer shall have until 5:00 p.m. _____ calendar

33 days (one [1] if not filled in) ("Buyer's Response Deadline") within which to sign and return said Notice to Buyer notifying Seller of Buyer's selection

34 of Alternative One, Alternative Two, or Termination. If Buyer timely responds to Seller's Notice to Buyer on or before Buyer's Response Deadline,

35 this transaction shall remain in full force and effect, and Seller's Property shall thereafter show as "Pending" (or words to that effect) on the

36 applicable multiple listing service. Buyer's selection of Termination on the Notice to Buyer, or Buyer's failure to timely deliver Notice to Buyer on

37 or before Buyer's Response Deadline, shall result in the automatic termination of this transaction, and Buyer's earnest money deposit shall

38 thereupon be promptly refunded.

Buyer Initials DS / Date 8/6/2018 1:12:09 PM PDT

Seller Initials DS / Date 8/2/2018 17:21

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Sale Agreement # 07072018NJ

8. Contingencies and Other Timelines.

The timelines set forth in the Financing section of the Sale Agreement shall continue unchanged. Except as otherwise provided herein, the agreed-upon timelines for contingencies (e.g., review of documents of record, professional inspection, lead-based paint, etc.) and other non-contingent timelines, except Closing (e.g. time to deposit earnest money, or to transfer funds, etc.) in the Sale Agreement shall **(select one)**:

- ☒ Continue unchanged;
☐ Commence on the next business day following the date Buyer delivers to Seller the Notice to Seller, by the Contingency Deadline. (Note, this Section 4 shall not apply if Seller has received another offer, and has complied with Section 3, above.)

9. Timeline for Closing. Closing of this transaction shall be **(Select one)**:

- ☒ As provided in the Sale Agreement;
☐ _____ calendar days after the date Buyer delivers the Notice to Seller;
☐ Other (insert date): _____.

10. Delivery of Notices. Time is of the essence in the delivery of all written notices required or permitted herein. Buyer, Seller, and their respective Agents, shall exercise their best efforts to use the most prompt and reliable means for timely delivery of all such notices.**11. Good Faith Cooperation with Escrow.** Buyer and Seller agree to cooperate in good faith by promptly signing all documents reasonably requested by Escrow, including those for the refund of Buyer's earnest money deposit when authorized by the above provisions, or the Sale Agreement and related Addenda.**12. Additional Provisions.** The Contingency Deadline as referenced on line 26 of this addendum will be 30 days after mutual acceptance. This contingency shall automatically be deemed satisfied at the end of the Contingency Deadline at which time buyer will proceed to closing without this contingency, provided buyer has not terminated the agreement according to the terms of the sale agreement prior to the end of the Contingency Deadline referenced above.

DocuSigned by:

Andrew Hood

Drew Hood and/or assigns

Date 8/6/2018 1:12:09 PM PDT a.m. p.m. ←

DocuSigned by:

Lynda T. Bui, trustee

C9FB7FAEA9BA430...

Date 8/2/2018 17:21 PDT a.m. p.m. ←

Buyer's Agent Nic Jones

Seller's Agent Josh Hansen

Buyer's Agent's Firm Keller Williams Central Oregon

Seller's Agent's Firm Strategic Realty, LLC

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LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE AND DATE

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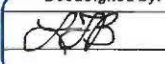
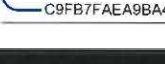
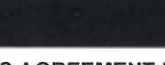
Page 2 of 2



Sale Agreement # 07072018NJ

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 **Nic Jones** (Name of Buyer's Agent(s)*), Oregon Lic. # **201210062**
4 of **Keller Williams Central Oregon** (Name of Real Estate Firm(s)*)
5 Buyer's Agent's Office Address _____, Company Lic. # **201214610**
6 Phone _____ Fax _____ E-mail **njranches@gmail.com**
7 is/are the agent of (check one): ☒ Buyer exclusively ("Buyer Agency"). ☐ Both Buyer and Seller ("Disclosed Limited Agency").
8 **Josh Hansen** (Name of Seller's Agent(s)*), Oregon Lic. # **200012039**
9 of **Strategic Realty** (Name of Real Estate Firm(s)*)
10 Seller's Agent's Office Address _____, Company Lic. # **200806087**
11 Phone _____ Fax _____ E-mail **josh@movetobend.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://oreg.elicense.irondata.com/Lookup/LicenseLookup.aspx>
15 If both parties are each represented by one or more Agents in the same Real Estate Firm, and Agents are supervised by the same principal broker 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		Print Drew Hood and/or assigns	Date 7/28/2018 11:04:04 AM
22	Buyer		Print	Date
23	Seller		Print Lynda T. Bui, Trustee	Date
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 **Drew Hood and/or assigns**
30
31 offers to purchase from Seller **Lynda T. Bui, Trustee**
32
33 the following described real property (hereinafter "the Property") situated in the State of Oregon, County of **Deschutes**
34 and commonly known or identified as (insert street address, city, zip code, tax identification number, lot/block description, etc.)
35 **66876 Gist Rd., Bend, OR 97703**
36
37 (Buyer and Seller agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with
38 Section 9, shall, where necessary, be used for purposes of legal identification and conveyance of title.)
39 for the Purchase Price (in U.S. currency) of _____ A \$ **1,995,000.00**
40 on the following terms: Earnest money _____ B \$ **25,000.00**
41 on _____, as additional earnest money, the sum of _____ C \$ _____
42 at or before Closing, the balance of down payment _____ D \$ _____
43 at Closing and upon delivery of ☒ DEED ☐ CONTRACT the balance of the Purchase Price _____ E \$ **1,970,000.00**
44 shall be paid as agreed in Financing Section of the Agreement.

(Lines B, C, D and E should equal Line A)

ds

Buyer Initials  Date **7/28/2018 11:04:04 AM PDT**

Seller Initials  Date **8/2/2018 17:21**

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Sale Agreement # 07072018NJ

2. FIXTURES/CONTROLS/KEYS: All fixtures and essential related equipment (e.g. remote controls, and all keys related to Property including mailbox, outbuilding(s), etc.) are to be left upon the Property. Fixtures shall include but not be limited to: built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows; system fixtures (irrigation, plumbing, ventilating, cooling and heating); water heaters; attached electric light and bathroom fixtures; light bulbs; fluorescent lamps; window blinds; awnings; fences; all planted shrubs, plants and trees; EXCEPT: _____

3. PERSONAL PROPERTY: Only the following personal property, in "AS-IS" condition and at no stated value is included: _____

FINANCING

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

A. ☒ This is an all cash transaction. Buyer to provide verification ("Verification") of readily available funds as follows (select only one):
☐ Buyer has attached a copy of the Verification with the submission of this Agreement to Seller. ☐ Buyer will provide Seller with the Verification within _____ business days (five [5] if not filled in) after this Agreement has been signed and accepted; or ☒ Other (Describe): Buyer will be using all proceeds from the sale of their home to purchase this property.

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

B. ☐ Balance of Purchase Price to be financed through one of the following Loan Programs (Select only one):

☐ Conventional; ☐ FHA; ☐ Federal VA (Seller ☐ Shall ☐ Shall not agree to pay Buyer's non-allowable VA fees);

☐ Other (Describe): _____ **Buyer agrees to seek financing through a lending institution or mortgage broker (hereinafter collectively referred to as "Lender") participating in the Loan Program selected above.**

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

5.1 FINANCING CONTINGENCIES. 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; and, (3) Other (Describe): _____

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

5.2 FAILURE OF FINANCING CONTINGENCIES. If Buyer receives actual notification from Lender that any Financing Contingencies identified above have failed or otherwise cannot occur, Buyer shall promptly notify Seller, and the parties shall have _____ business days (two [2] if not filled in) following the date of Buyer's notification to Seller to either (a) Terminate this transaction by signing a **OREF 057 Termination Agreement** 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 this transaction to continue. Neither Seller nor Buyer are required under the preceding provision (b) to reach such agreement. If (a) or (b) fail to occur within the time period identified in this Section 5.2, this transaction shall be automatically terminated and all earnest money shall be promptly refunded to Buyer. Buyer understands that upon termination of this transaction, Seller shall have the right to immediately place the Property back on the market for sale upon any price and terms as Seller determines, in Seller's sole discretion.

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

(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 filled in) following the date Buyer and Seller have signed and accepted this Agreement. A "completed loan application" shall include the following

Buyer Initials EN Hood Date 7/28/2018 11:04:04 AM PDT

Seller Initials [Signature] Date 8/2/2018 17:21

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Sale Agreement # 07072018NJ

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 OREF 058 Professional Inspection Addendum 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): _____
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 OREF 033 Seller-Carried Transaction Addendum 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 EN Horal Date 7/28/2018 11:04:04 AM PDT

Seller Initials DS AB Date 8/2/2018 17:21

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

8. ADDITIONAL FINANCING PROVISIONS (e.g. Closing Costs):

CONTINGENCIES

9. TITLE INSURANCE: When this Agreement is signed and accepted by Buyer and Seller, Seller will, at Seller's sole expense, promptly order from the title insurance company selected at Section 22 below, a preliminary title report and copies of all documents of record ("the Report and 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 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 Documents of Record are not fully understood, Buyer should immediately contact the title insurance company for further information or seek 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 and Documents of Record Buyer shall have ____ business days (five [5] if not filled in) within which to notify Seller, in writing, of any matters disclosed in the Report and Documents of Record which is/are unacceptable ("the Objections"). Buyer's failure to timely object in writing, shall 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 convey marketable title to the Property pursuant to Section 28, below. If, within ____ business days (five [5] if not filled in) following Seller's receipt of the Objections, Seller fails to remove or correct the matters identified therein, or fails to give written assurances reasonably satisfactory to 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 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 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 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. (**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, such a payment might be regarded as a "seller concession." Under the TILA/RESPA Integrated Disclosure Rules ["the Rules"], there are limitations, regulations and disclosure requirements on "seller concessions", unless the product or service paid for by the Seller was one customarily paid by sellers in residential sales transactions. In Oregon, sellers customarily and routinely pay for their buyer's standard owner's policy of title insurance. Accordingly, unless the terms of this Section 9 are modified in writing by Buyer and Seller, the parties acknowledge, agree and so instruct Escrow, that in this transaction, Seller's payment of Buyer's standard owner's policy of title insurance is not a "seller concession" under the Rules or any other federal law.**)

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

Check only one box below:

☒ **LICENSED PROFESSIONAL INSPECTIONS:** At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more licensed professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired invasive inspections that may include testing or removal of any portion of the Property including, for example, radon and mold. Buyer understands that Buyer is responsible for the restoration of the Property following any inspection(s)/test(s) performed by Buyer or on Buyer's behalf. Buyer shall have 20 business days (ten [10] if not filled in), after the date Buyer and Seller have signed and accepted this 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. However, at any time during this transaction, or promptly following termination, upon request by Seller, 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, 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 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**

Buyer Initials [Signature] Date 7/28/2018 11:04:04 AM PDT

Seller Initials [Signature] Date 8/2/2018 17:21

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

197 ☐ ALTERNATIVE INSPECTION PROCEDURES: OREF 058 PROFESSIONAL INSPECTION ADDENDUM

198 ☐ OTHER INSPECTION ADDENDUM _____

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

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

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

217 **12.2 SEPTIC/ONSITE SEWAGE SYSTEM:** Does the Property include a septic/onsite sewage system? ☒ Yes ☐ No If the Property contains a
218 septic/onsite sewage system, the OREF 081 Septic/Onsite Sewage System Addendum will be attached to this Sale Agreement.

219 **13. PROPERTY DISCLOSURE LAW:** Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that
220 Buyer has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days after Seller's delivery of Seller's
221 Property Disclosure Statement ("the Statement"), or (b) at any time before Closing (as defined in the Oregon Administrative Rules) if Buyer does
222 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
223 to receive Buyer's notice of revocation, if any, on Seller's behalf.

SELLER REPRESENTATIONS

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

227 (1) The primary dwelling is connected to (check all that apply): ☐ a public sewer system; ☒ an on-site sewage system; ☐ a public
228 water system; ☒ a private well; ☐ other (e.g., surface springs, cistern, etc.).

229 (2) At the earlier of possession or Closing Date, the dwelling will have one or more operating smoke alarms, smoke detectors and carbon
230 monoxide detectors as required by law (See <http://www.oregon.gov/OSP/SFM/>).

231 (3) Seller has no knowledge of any hazardous substances in or about the Property other than substances (if any) contained in appliances
232 and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in
233 residential housing and may exist in the Property.

234 (4) Seller knows of no material defects in or about the Property.

235 (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the
236 yard, will be in substantially their present condition at the time Buyer is entitled to possession.

237 (6) Seller has no notice of any liens or assessments to be levied against the Property.

238 (7) Seller has no notice from any governmental agency of any violation of law relating to the Property.

239 (8) Seller is not a "foreign person" under the Foreign Investment in Real Property Tax Act ("FIRPTA") as defined in this Agreement.

240 (9) Seller knows of no material discrepancies between visible lines of possession and use (such as existing fences, hedges, landscaping,
241 structures, driveways, and other such improvements) currently existing on the Property and the legal description of the Property.

242 (10) Seller will keep the Property fully insured through Closing.

243 (11) Seller agrees to promptly notify Buyer if, prior to Closing, Seller receives actual notice of any event or condition that could result in
244 making any previously disclosed material information relating to the Property substantially misleading or incorrect.

245 These representations are made to the best of Seller's knowledge. Seller may have made no investigations. Exceptions to items (1)
246 through (11) are: _____ (For more exceptions see Addendum _____).

Buyer Initials En Hood Date 7/28/2018 11:04:04 AM PDT

Seller Initials DS Date 8/2/2018 17:21

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

252 **15.1 SELLER ADVISORY: OREGON STATE TAX WITHHOLDING OBLIGATIONS:** Subject to certain exceptions, Escrow is required to withhold a portion
253 of Seller's proceeds if Seller is a non-resident individual or corporation as defined under Oregon law. Buyer and Seller agree to cooperate with Escrow by
254 executing and delivering any instrument, affidavit or statement as requested, and to perform any acts reasonable or necessary to carry out the provisions of
255 Oregon law.

256 **15.2 SELLER/BUYER ADVISORY: FIRPTA TAX WITHHOLDING REQUIREMENT.** Seller and Buyer are advised that upon Closing, a Federal law, known
257 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
258 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-
259 resident alien individual, foreign corporation, foreign partnership, foreign trust or a foreign estate. Generally, the following rules apply under FIRPTA:

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

263 (b) The Withholding Requirement will be ten percent (10%) of the purchase price when the seller is a "foreign person" and the purchase price is over
264 \$300,000, but less than \$1,000,000, and (a)(ii) and (iii) above apply; and

265 (c) The Withholding Requirement will be a fifteen percent (15%) of the purchase price when the seller is a "foreign person" and the purchase price is over
266 \$1,000,000, or the purchase price is \$1,000,000 or less and Seller does not qualify for any of the exemptions in (a) or (b) above.

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

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

MISCELLANEOUS ITEMS

278
279 **17. TOWNHOME/PLANNED COMMUNITY/HOMEOWNER'S ASSOCIATION:** Is the property a townhome, in a planned community, or have a
280 Homeowner's Association? ☐ Yes ☒ No ☐ Unknown

281 If yes, OREF 024 Townhome/Planned Community/Homeowner's Association Addendum will be attached to this Sale Agreement.

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

283 **19. WOODSTOVE/WOOD BURNING FIREPLACE INSERT:** Does the Property contain a woodstove or wood burning fireplace insert?
284 ☒ Yes ☐ No

285 If yes, is the woodstove/wood burning fireplace insert certified? ☒ Yes ☐ No ☐ Unknown. If "No" or "Unknown," Seller to provide Buyer with
286 OREF 046 Woodstove/Wood Burning Fireplace Insert Addendum.

287 **20. HOME WARRANTIES:** Home warranty plans may be available to help cover homeowner costs to repair/replace certain home systems and
288 appliances. (See specific plan for details.) Will a plan be purchased for Buyer as a part of this transaction? ☐ Yes ☒ No

289 If yes, identify plan and cost: _____ \$ _____ To be paid at Closing by: ☐ Buyer ☐ Seller

Buyer Initials DS Hood Date 7/28/2018 11:04:04 AM PDT

Seller Initials DS Date 8/2/2018 17:2

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RESIDENTIAL REAL ESTATE SALE AGREEMENT - Page 6 of 11



Sale Agreement # 07072018NJ

21. ADDITIONAL PROVISIONS:

For additional provisions, see Addendum A

CLOSING/ESCROW

22. **ESCROW:** This transaction shall be Closed at Amerititle ("Escrow"), a neutral escrow company licensed and located in the State of Oregon. Costs of Escrow shall be shared equally between Buyer and Seller, unless otherwise specifically prohibited by the U.S. Department of Veterans Affairs (Federal VA). Unless otherwise provided herein, the parties agree as follows: Seller authorizes Seller's Agent's Firm to order a preliminary title report and owner's title policy at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expense of furnishing such policy, Seller's recording fees, Seller's Closing costs and any liens and encumbrances on the Property payable by Seller on or before Closing. Buyer shall deposit with Escrow sufficient funds necessary to pay Buyer's recording fees, Buyer's Closing costs, and lender's fees, if any. Real estate fees, commissions or other compensation for professional real estate services provided by Buyer's or Seller's Agent's Firms shall be paid at Closing in accordance with the listing agreement, buyer service agreement or other written agreement for compensation.

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

24. **EARNEST MONEY DEPOSIT(S) AND BUYER INSTRUCTIONS:** When this Sale Agreement is signed and accepted by Buyer and Seller, the following instructions shall immediately apply to the handling of Buyer's earnest money deposit in the sum of \$ 25,000.00 ("the Deposit").

24.1 The Deposit shall be payable by electronic funds transfer or check drawn on collected funds, and deposited within 5 (three [3] if not filled in) business days (the "Deposit Deadline") as follows (check all that apply):

- ☒ Directly with Escrow;
- ☐ Directly into Buyer's Agent's Firm's client trust account and remain there until disbursement at Closing; and/or
- ☐ Directly into Buyer's Agent's Firm's client trust account and thereafter deposit with Escrow/Title Company prior to Closing;
- ☐ As follows: _____

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

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

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

25. **EARNEST MONEY DEPOSIT INSTRUCTIONS TO ESCROW:** Escrow is hereby instructed by Buyer and Seller as follows: (1) Upon your receipt of a 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 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 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 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 Seller, or a final ruling from a court or arbitrator, as to disposition of such deposits.

26.1 **EARNEST MONEY REFUND TO BUYER:** If (1) Seller does not approve this Agreement; or (2) Seller signs and accepts this Agreement but fails to furnish marketable title; or (3) Seller fails to complete this transaction in accordance with the material terms of this Agreement; or (4) any 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 earnest money deposits shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a waiver of other legal remedies available to Buyer.

26.2 **EARNEST MONEY PAYMENT TO SELLER:** If Seller signs and accepts this Agreement and title is marketable; and (1) Buyer has materially misrepresented Buyer's financial status; or (2) Buyer's bank does not pay, when presented, any check given as earnest money or fails to timely make an electronic funds transfer for Buyer's earnest money; or (3) Buyer fails to complete this transaction in accordance with the material terms of this Agreement, then all earnest money paid or agreed to be paid shall be paid to Seller as liquidated damages. The parties expressly agree that Seller's economic and non-economic damages arising from Buyer's failure to close this transaction in accordance with the terms of this Agreement would be difficult or impossible to ascertain with any certainty, and that said earnest money deposit(s) identified herein shall represent a binding liquidated sum, and that

Buyer Initials [Signature] Date 7/28/2018 11:04:04 AM PDT

Seller Initials [Signature] Date 8/2/2018 17:21

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338 it is a fair, reasonable and appropriate pre-estimate of Seller's damages, and is not a penalty. **It is the intention of the parties that Seller's sole**
339 **remedy against Buyer for Buyer's failure to close this transaction in accordance with the material terms of this Agreement shall be limited**
340 **to the amount of earnest money paid or agreed to be paid herein. Seller's right to recover from Buyer any unpaid earnest money agreed to**
341 **be paid herein shall be in accordance with the provisions of the Dispute Resolution Sections below.**

342 **27.1 CLOSING:** Closing shall occur on a date mutually agreed upon between Buyer and Seller, but in no event later than 10/12/2018 ("the Closing
343 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
344 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
345 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.

346 **27.2 THE CLOSING DISCLOSURE:** Pursuant to the federal TILA-RESPA Integrated Disclosure Rules ("TRID"), Buyer and Seller will each receive a
347 federally-required document called a "Closing Disclosure", which, among other things, summarizes each party's closing costs. TRID requires that the
348 Closing Disclosure must be received by a residential loan borrower at least three (3) business days prior to "consummation" of the transaction, which in
349 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
350 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**
351 **termination of the transaction unless Seller and Buyer mutually agree to extend it.**

352 **27.3 NOTICE REGARDING TITLE INSURANCE COSTS:** The manner in which TRID requires title insurance costs to be disclosed differs from the actual
353 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
354 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**
355 **Escrow prior to Closing.**

356 **28. DEED:** Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative's or
357 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
358 payable, zoning ordinances, building and use restrictions, reservations in federal patents, easements of record that affect the Property, covenants,
359 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
360 than one person, see Section 39 regarding forms of co-ownership.

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

363 (1) ☒ by 5:00 p.m. on Closing;
364 (2) ☐ by _____ a.m. ☐ p.m. _____ days after Closing;
365 (3) ☐ by _____ a.m. ☐ p.m. on the _____ day of _____.
366 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
367 for removal of tenant(s) prior to closing.

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

DEFINITIONS/INSTRUCTIONS

372 **31. DEFINITIONS/INSTRUCTIONS:** (1) All references in this Sale Agreement to "Agent" and "Firm" shall refer to Buyer's and Seller's real estate
373 agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated.
374 (2) Time is of the essence of this Agreement.
375 (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
376 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
377 title company identified at Section 22, above, Buyer, Seller, and their respective Agents, where applicable, shall provide Escrow with their preferred
378 means of notification (e.g. email or text address, facsimile number, or mailing or personal delivery address, or other), which shall serve as the
379 primary location for receipt of all notices or documents (hereinafter, "Contact Location")
380 (4) Agent(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement.
381 (5) A "business day" shall mean Monday through Friday, except recognized state and federal holidays.
382 (6) Unless Seller and Buyer expressly provide otherwise, the phrase "signed and accepted" in the printed text of this Sale Agreement, or any
383 addendum or counteroffer, however designated (collectively, "the Agreement" or "the Sale Agreement"), shall mean the date and time that either
384 the 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
385 to the sending party, or their Agent, either by manual delivery ("Manual Delivery"), or by facsimile or electronic mail/text (collectively, "Electronic

Buyer Initials [Signature] Date 7/28/2018 11:04:04 AM PDT

Seller Initials [Signature] Date 8/2/2018 17:21

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386 Transmission"). When the Agreement is "signed and accepted" as defined herein, the Agreement becomes legally binding on Buyer and Seller, and
387 neither has the ability to withdraw their offer or counteroffer, as the case may be.

388 (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
389 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
390 offer or acceptance of the Agreement (such as regular mail, certified mail, or overnight delivery), they should so specify at Section 21 (Additional
391 Provisions) of this Sale Agreement.

392 (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
393 the date they have signed and accepted it.

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

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

397 (11) Excepting only the Lead-Based Paint Contingency Period identified in Section 11, unless a different time is specified in the Agreement, all
398 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
399 that deadline, however designated.

400 **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**
401 **premises, at Seller's supplier's rate on the possession date.** Payment shall be handled between Buyer and Seller outside of Escrow. Seller
402 shall not terminate or disconnect electric, gas, heating fuel/propane, or water utilities prior to Closing unless parties agreed otherwise in writing.

403 **33. APPROVED USES:** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING
404 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT
405 AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS
406 DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE
407 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,
408 CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8,
409 OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD
410 CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A
411 LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR
412 PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING
413 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
414 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

415 **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
416 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
417 escrow or cause additional expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a
418 contingency to the Closing of this transaction.

419 **35.1 LEVY OF ADDITIONAL PROPERTY TAXES:** The Property: (check one) ☒ is ☐ is not specially assessed for property taxes (e.g., farm,
420 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
421 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
422 transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically
423 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
424 levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of Seller's actions prior to Closing, the
425 Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Buyer may, at Buyer's sole
426 option, promptly terminate this transaction and receive a refund of all deposits paid by Buyer in anticipation of Closing; or Close this transaction and
427 hold Seller responsible to pay into Escrow all deferred and/or additional taxes and interest that may be levied or recaptured against the Property
428 and hold Buyer completely harmless therefrom. The preceding shall not be construed to limit Buyer's or Seller's available remedies or damages
429 arising from a breach of this Section 35.1.

430 **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
431 qualify for the Historic Property Special Property Tax Assessment under ORS 358.475 to 358.565, Seller shall provide **OREF 045 Historic**
432 **Property Addendum.**

DISPUTE RESOLUTION

433 **36. FILING OF CLAIMS:** All claims, controversies and disputes between Seller, Buyer, Agents, and/or Firms, relating to the enforcement or
434 interpretation of this Sale Agreement (including those for rescission), as well as those relating to the validity or scope of the Sale Agreement, and all

Buyer Initials En Hood Date 7/28/2018 11:04:04 AM PDT

Seller Initials DS Date 8/2/2018 17:21

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Sale Agreement # 07072018NJ

435 matters concerning the jurisdiction of the arbitrator(s) and/or Arbitration Service of Portland, to hear and decide questions of arbitrability (hereinafter
436 collectively referred to as "Claims"), shall be exclusively resolved in accordance with the procedures set forth herein, which shall survive Closing or
437 earlier termination of this transaction. All Claims shall be governed exclusively by Oregon law, and venue shall be placed in the county where the
438 real property is situated. Filing a Claim for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of
439 limitation or statute of ultimate repose, and for purposes of filing a *lis pendens*. BY CONSENTING TO THE PROVISIONS HEREIN, BUYER AND SELLER
440 ACKNOWLEDGE THAT THEY ARE GIVING UP THE CONSTITUTIONAL RIGHT TO HAVE CLAIMS TRIED BY A JUDGE OR JURY IN STATE OR FEDERAL COURT,
441 INCLUDING ALL ISSUES RELATING TO THE ARBITRABILITY OF SAID CLAIMS.

442 **37. EXCLUSIONS:** The following shall not constitute Claims: (1) Any proceeding to enforce or interpret a mortgage, trust deed, land sale contract or
443 recorded construction lien; (2) A forcible entry and detainer action (eviction); (3) If the matter is exclusively between REALTORS® and is otherwise
444 required to be resolved under the Professional Standards Ethics and Arbitration provisions of the National Association of REALTORS®; (4) If the
445 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
446 mandatory mediation and/or arbitration provision; and (5) Filing in court for the issuance of provisional process described under the Oregon Rules of
447 Civil Procedure, provided, however, such filing shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures described
448 herein for the adjudication of any Claims.

449 **38.1. SMALL CLAIMS BETWEEN BUYER AND SELLER:** All Claims between Buyer and Seller that are within the jurisdiction of the Small Claims
450 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
451 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
452 Claims Department of the Circuit Court. A judgment in Small Claims Court is final and binding and there is no right of appeal.

453 **38.2. MEDIATION AND ARBITRATION BETWEEN BUYER AND SELLER:** If Buyer's and/or Seller's Agent is a member of the National
454 Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute
455 Resolution System of the National Association of REALTORS® ("the System"). If an Agent is not a member of the National Association of
456 REALTORS®, or the System is not available through the Agent's Realtor® organization, then all Claims shall be submitted to mediation through
457 the program administered by Arbitration Service of Portland ("ASP"). All Claims that have not been resolved by mediation as described herein shall
458 be submitted to final and binding arbitration in accordance the then-existing rules of ASP. The prevailing party in any arbitration between Buyer and
459 Seller shall be entitled to recovery of all reasonable attorney fees, filing fees, costs, disbursements, and mediator and arbitrator fees. Provided,
460 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
461 judge, if applicable) that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing for
462 arbitration.

463 **38.3 MEDIATION AND ARBITRATION INVOLVING AGENTS/FIRMS:** All Claims that include Agents or their Firms shall be resolved in accordance
464 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
465 attorney fees, filing fees, cost, disbursements, and mediator and arbitrator fees, as provided therein.

SIGNATURE INSTRUCTIONS

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

473 Deed or contract shall be prepared in the name of to be determined in escrow.

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

476 This offer shall automatically expire on (insert date) August 01, 2018 at 5 ☐ a.m. ☒ p.m., (the "Offer Deadline"), if not
477 accepted by that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's transmission of signed acceptance. This
478 offer may be accepted by Seller only in writing.

479 Buyer [Signature] Date 7/28/2018 11:04:04 AM PDT a.m. ☐ p.m. ←
Drew Hood and/or assigns

480 Buyer _____ Date _____ a.m. ☐ p.m. ←

481 Address _____ Zip _____

482 Phone Home _____ Work _____ E-mail drewhood75@hotmail.com Fax _____

Buyer Initials [Signature] Date 7/28/2018 11:04:04 AM PDT

Seller Initials [Signature] Date 8/2/2018 17:21

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Sale Agreement # 07072018NJ

483 This offer was delivered/transmitted to Seller for signature on the _____ day of _____, at _____ a.m. _____ p.m.
484 By _____ (Agent(s) presenting offer).

485 40. AGREEMENT TO SELL / ACKNOWLEDGEMENTS / DISPOSITION OF EARNEST MONEY: Seller accepts Buyer's offer. Seller
486 acknowledges receipt of a completely filled-in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges
487 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
488 Agreement. Seller instructs that all earnest money distributable to Seller pursuant to Section 25 shall be disbursed as follows after
489 deduction of any title insurance and Escrow cancellation charges: (check one) ☐ First to Seller's Agent's Firm to the extent of the agreed
490 commission just as if the transaction had been Closed, with residue to Seller, or ☐ _____.

491 Seller _____ Date _____ a.m. _____ p.m. ←
Lynda T. Bui, Trustee

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

493 Address _____ Zip _____

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

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

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

501 ☐ Seller rejects Buyer's offer.

502 Seller Lynda T. Bui, Trustee Date 8/2/2018 | 17:21 PDT a.m. _____ p.m. ←

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

504 Address _____ Zip _____

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

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

Buyer Initials EN Hood Date 7/28/2018 11:04:04 AM PDT

DS
Seller Initials Lynda T. Bui Date 8/2/2018 | 17:21

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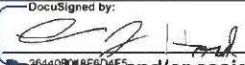

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Sale Agreement # **07072018NJ**
Addendum # **A**

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: Drew Hood and/or assigns
- 3 Seller: Lynda T. Bui, Trustee
- 4 The real property described as: 66876 Gist Rd., Bend, OR 97703
- 5 SELLER AND BUYER HEREBY AGREE THE FOLLOWING SHALL BE A PART OF THE REAL ESTATE SALE AGREEMENT REFERENCED ABOVE.
- 6 --This Sale is contingent upon the successful closing of escrow of the Buyers home located at 64155 Hunnell Rd. Bend, OR 97703. The
- 7 Buyer shall have 60 calendar days to remove this contingency.
- 8
- 9 -This offer is contingent upon completion of a due diligence/feasibility study satisfactory to Buyer. Said study shall be completed within
- 10 30 calendar days from mutual acceptance of this offer and any subsequent counter offers. Seller shall cooperate in said study by
- 11 providing access and providing documents pertaining to subject property. Approval/disapproval of subject study shall be at Buyer's sole
- 12 discretion. Upon Buyer's written notice to Seller or Seller's agent of the Buyer's disapproval of study results, this agreement shall
- 13 become null and void and any deposited earnest money shall be promptly returned to Buyer. Close of escrow shall occur on or before 10
- 14 calendar days after the closing of their home on Hunnell Road.
- 15
- 16 -All items in the home and garages shall be included in the sale. A detailed list of items shall be provided to the Seller for signature after
- 17 mutual acceptance.
- 18
- 19 -Seller agrees to allow buyer to assign this contract, provided that at the time of assignment the Assignee provides proof of funds and the
- 20 ability to close by the scheduled closing date.
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29 Buyer Signature  Date 7/28/2018 11:04:04 AM PDT a.m. ___ p.m. ←
Drew Hood and/or assigns
- 30 Buyer Signature _____ Date _____ a.m. ___ p.m. ←
- 31 Seller Signature  Date 8/2/2018 | 17:21 PDT a.m. ___ p.m. ←
Lynda T. Bui, Trustee
- 32 Seller Signature _____ Date _____ a.m. ___ p.m. ←
- 33 Buyer's Agent Nic Jones Seller's Agent Josh Hansen

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OREF 002



Sale Agreement # 07072018NJ

SELLER'S COUNTER OFFER No. 1

1 This is a counter offer to ☒ Sale Agreement or ☐ Buyer's Counter Offer2 Seller: Lynda T. Bui, trustee3 Buyer: Drew Hood and/or assigns4 The real property described as: 66876 Gist Rd., Bend, OR 97703

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. Until the end of buyer's due diligence/feasibility study, this offer
 7 is contingent upon the sale of buyer's residence at 64155 Hunnell Rd., Bend OR 97703, . If buyer's residence has not closed prior to the
 8 end of the 30 day contingency period, buyer agrees to proceed with the sale without the closing of buyer's residence. 2. Buyer agrees to
 9 provide seller with proof of funds for proceeds not coming from the sale of buyer's residence, and a loan preapproval letter
 10 demonstrating buyer's ability to purchase the property without the proceeds from the sale of buyer's residence, within 3 business days of
 11 mutual acceptance

12 3. Buyer shall have the right to buy all of the personal property on site for \$10,000, payable at close of escrow. Personal property is sold
 13 in as-is condition with no warranties expressed or implied. If buyer is elects to purchase the personal property, buyer and seller agree to
 14 execute an addendum detailing the list of items included in the sale within 10 days of mutual acceptance.

15 4. Closing to be on or before 10 days from court approval of the sale.16 5. Motion to approve the sale and notice to creditors will not be begin until removal of all contingencies.17 6. Buyer agrees to execute the Contingent Right to Purchase Addendum accompanying this counter offer.

18 For additional provisions, see Addendum 1

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 August 06, 2018 at
 21 5 ☐ a.m. ☒ p.m. ("the Counter Offer Deadline"), if not accepted within that time This Seller's Counter Offer may be accepted by Buyer only in
 22 writing. However, Seller may withdraw this counter offer any time prior to Buyer's written acceptance.

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

29 DocuSigned by:

30 Seller Signature Lynda T. Bui, trustee
 31 Seller Signature _____

Date 8/2/2018 | 17:21 PDT a.m. p.m. ←

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 Drew Hood and/or assigns
 39 Buyer Signature _____

Date 8/6/2018 1:12:09 PM PDT a.m. p.m. ←

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 Josh Hansen Buyer's Agent Nic Jones

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**Addendum 1 to Seller Counter Offer #1 re Purchase and Sale of
66876 Gist Road, Bend, Oregon 97703 (Deschutes County)**

This is a counteroffer ("Counteroffer") to the July 28, 2018, "Residential Real Estate Agreement" received from Drew Hood ("Buyer's Offer") for the purchase of real property commonly known as 66876 Gist Road, Bend, OR 97703 Deschutes County ("Property"), by Alan Reay ("Buyer"), from Lynda T. Bui, solely in her capacity as the Chapter 7 Trustee ("Seller" and, together with Buyer, the "Parties"), for the Bankruptcy Estate of *In re Russel Dennis Hiles, III* ("Debtor"), Bankruptcy Case No.: 6:16-bk-16877-WJ.

When fully-executed below, this Counteroffer will constitute conclusive evidence of the contract for the sale and purchase of the Property (the "Sale") and the Parties' agreement for the Sale, subject to approval by the Bankruptcy Court in the Debtor's Bankruptcy case and further or more complete documentation in Seller's discretion. **This Counteroffer Supersedes the Buyer's Proposal.** Seller may elect to deem this Counteroffer the definitive agreement between the Parties regarding the Sale.

1. Purchase Price: The purchase price for the Property shall be **\$1,995,000.00**, all cash (the "Purchase Price").
2. Initial Deposit: Within two (2) business days following Buyer's execution of this Counteroffer, Buyer shall deliver to escrow, together with an executed copy of this Counteroffer, the sum of **\$25,000.00**, to be applied toward the Purchase Price (the "Deposit"), as follows:

Christina Moore, Escrow Officer
Western Title & Escrow Company
360 SW Bond Street, Suite 100
Bend, OR 97702
Telephone: : 541-330-1214; Facsimile: 541-330-1242
Email: christina.moore@westerntitle.com

3. Without Contingencies or a Due Diligence Period: Buyer acknowledges that he is familiar with the Property and that the Buyer has previously viewed the Property. Nevertheless, at Buyer's sole expense, Buyer shall have until **11:59 p.m. PDT, Saturday, September 01, 2018**, to obtain all investigations, appraisals and tests, and to complete any and all due diligence which the Buyer desires (the "Due Diligence Deadline"). By no later than the Due Diligence Deadline, Buyer may advise Seller, in writing, of his election to cancel the Sale, in which case Buyer shall receive a full refund of the Deposit (the "Notice to Cancel"). Absent Buyer's submission of a Notice to Cancel in accordance with this paragraph 3, the Sale shall be without any further contingencies or due diligence requirements of the Buyer.

Without limiting the generality of the foregoing, Buyer's silence shall be deemed an acceptance and affirmative election to proceed with the Sale without any further contingencies or due diligence requirements.

4. Bankruptcy Court Approval: The Sale is expressly subject to Bankruptcy Court approval in the Debtor's bankruptcy case. As soon as reasonably practical following expiration of the Due Diligence Deadline without Buyer's submission of a Notice to Cancel, the Seller will file a motion to approve the Sale with the Bankruptcy Court pursuant to section 363 of the United States Bankruptcy Code (11 U.S.C. § 363) (the "Approval Motion"). As part of such motion, the Seller will request a finding of the Buyer's "good faith" in accordance with section 363(m) of the Bankruptcy Code.
5. Tender of Balance of Purchase Price/Closing: The Sale shall close, with Buyer tendering the full Purchase Price, not more than fifteen (10) calendar days after the entry of an order of the Bankruptcy Court authorizing the Sale.
6. Property Sold "As is" "Where is"/Disclaimer of Warranties:
 - a. Buyer accepts the land, buildings, improvements and all other aspects of the property in their present conditions AS IS, including latent defects, the environmental conditions present on the premises, or any other matter affecting or relating to the physical condition of the property, without any representations or warranties, expressed or implied, unless they are set forth expressly herein. The Buyer hereby expressly waives any and all claims arising out of any representations or warranties not specifically set forth herein. The Buyer has made a personal and complete inspection of said real property, and has found the same in good and satisfactory order and condition as of the date hereof, and relies solely upon such inspection by Buyer in entering into this agreement and the purchase of said property on the terms, covenants, provisions and conditions herein set forth and contained, and has neither placed any reliance on nor acted upon any representations or warranties on the part of the Seller not specifically contained herein. Buyer agrees that he has ascertained, from sources other than Seller, the applicable zoning, building, housing and other regulatory ordinances and laws and that he accepts the property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the property, and Seller has made no representations with respect thereto.
 - b. Buyer acknowledges that this clause was a negotiated part of this agreement and serves as an essential component of the considera-

tion for this agreement. Without limiting the generality of the foregoing, the parties specifically acknowledge that Buyer has had an opportunity to inspect the premises with regard to environmental concerns and the purchase price has been negotiated to eliminate all claims relating to environmental matters. Consequently, this clause bars all claims brought by the Buyer concerning the condition of the property pursuant to the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, the Federal Resource Conservation and Recovery Act (RCRA), as amended, and any applicable, similar federal and state legislation. Notwithstanding the parties' intent that this clause bar all such claims, should a court of competent jurisdiction deem otherwise, the presence of this clause shall serve as the overwhelming, primary factor in any equitable apportionment of liability or damages under CERCLA, RCRA, and other such Acts.

- c. Buyer hereby waives, releases, acquits and forever discharges Seller, its employees or agents or any other person acting on behalf of Seller, of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, or compensation whatsoever, direct or indirect, known or unknown, foreseen or unforeseen, which Buyer now has or which may arise in the future on account of or in any way growing out of or in connection with any physical characteristics or existing condition including, without limit, subsurface conditions and solid and hazardous wastes, and hazardous substances, on, under, or related to the real property, any law or regulation applicable thereto.
7. Transfer of Property: Transfer of the Property by Seller shall be by Trustee's Fiduciary Quitclaim Deed. The Seller shall convey and the Buyer shall accept the marketable title to the Property that will be insured by **Western Title & Escrow Company**, without material exception, subject only to the terms of this Counteroffer and any further documentation of the Sale consistent with this Counteroffer.
8. Liens, Claims, Encumbrances and Interests: The Sale shall be free and clear of such Liens, with the extent, validity and priority of such liens to attach to the net proceeds of the Sale.
9. Assessments, Taxes and Escrow fees: The following assessments, taxes and other costs shall be allocated as follows: (a) all allowable assessments and real property taxes shall be prorated through the closing date of the Sale to the applicable accounts of the Seller and the Buyer, such that the amounts applicable to the account of the Buyer shall not be deducted from the Purchase Price; (b) escrow fees shall be split equally between the Buyer and the Seller (50/50), such that the amounts allocable

to the Buyer shall not be deducted from the Purchase Price; (c) the Seller shall pay real property transfer tax (County and State only) and the costs of a standard issue title insurance policy, such that these taxes and costs shall not be deducted from the Purchase Price; and (d) City transfer tax shall be split equally between Buyer and Seller (50/50), such that the amount allocable to the Buyer shall not be deducted from the Purchase Price. **All other costs are at Buyer's sole expense and are not to be deducted from the Purchase Price.**

10. **Overbid:** The Sale is subject to notice to creditors and other parties and shall be subject to higher and better bid through and including the hearing on the Approval Motion, pursuant to sale and overbid procedures determined in the Seller's sole discretion and subject to Bankruptcy Court approval. Initial overbid will be **\$2,005,000.00** and thereafter in minimum **\$5,000.00** increments.
11. **Brokers and Commissions:** The Buyer is represented by Nic Jones, Oregon License #201210062 of Drew Hood and/or assigns, LLC ("Buyer's Broker"), and Seller is represented by Josh Hansen, Oregon License #200012039, of Strategic Realty, LLC ("Seller's Broker"). Subject to Court approval, the Seller shall pay a total five percent (5%) commission of the Purchase Price through escrow as follows: two percent (2%) to the Buyer's Broker; two percent (2%) to the Seller's Broker; and one percent to Debtor's Estate. No commission shall be due and payable except from the cash proceeds of an actual sale of the Property to the Buyer and upon closing of such sale.
12. **Seller Right to Terminate:** The Seller may decline, at her option and sole discretion, to consummate the Sale for any reason, including without limitation: (a) the dismissal or closure of the Debtor's bankruptcy case; (b) the conversion of the debtor's Chapter 7 bankruptcy case to any other chapter under the Bankruptcy Code; (c) the inability to subordinate any liens on the Property to the expenses of administration; (d) the inability to obtain approval of the Sale by the Bankruptcy Court; or (e) the inability to sell the Property on the terms and conditions set forth herein. The Seller reserves the right, in her sole discretion, to determine not to consummate, and to terminate, the sale of the Property by serving a notice of such termination on the Buyer. No liability or obligations shall accrue to the bankruptcy estate or the Seller, either personally or in her capacity as Trustee, as a result of any such termination. The Buyer's sole remedy, in the event that escrow fails to close as a result of Seller's inability to close escrow, shall be a refund of the Deposit in full.

13. **Non-Refundability and Forfeiture of Deposit:** Except as set forth above in paragraph 12 to this Counteroffer, immediately upon expiration of the Due Diligence Deadline without Buyer's submission of a Notice to Cancel in accordance with paragraph 3 to this Counteroffer, the entirety of the Deposit shall be absolutely non-refundable and forfeited to the Seller. Notwithstanding the immediately preceding sentence, in the event: (a) the Bankruptcy Court enters an order that does not authorize Seller to sell the Property to the Buyer; or (b) the Bankruptcy Court enters an order that authorizes the sale to another bidder and the Buyer is not a backup bidder, Seller shall refund the entire Deposit to the Buyer within fifteen (15) calendar days following entry of such order of the Bankruptcy Court. In the event the Buyer is overbid and is a backup bidder, Seller shall refund the entire Deposit to the Buyer only if the Sale closes to the winning bidder and within ten (10) calendar days following such closing.

 (Buyer's initials)

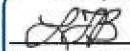
 (Seller's initials)

14. Escrow Instructions: Escrow instructions shall be signed by Buyer and Seller within thirty (30) calendar days after execution of this Counteroffer. In the event that Buyer is unable to close escrow within fifteen (10) calendar days after entry of the Bankruptcy Court's order authorizing the Sale (the "Closing Date"), the Buyer shall compensate the Seller one hundred dollars (\$100.00) per day for each day beyond the Closing date that the Sale does not close for a total extended period of no more than ten (10) calendar days. Thereafter, the Seller shall have absolute discretion to either: (a) provide further extensions of the Closing Date at the same rate of compensation; or (b) terminate the Sale to the Buyer and retain the entirety of the Deposit as liquidated damages.
15. Bankruptcy Court Jurisdiction: The Bankruptcy Court for the Central District of California, Riverside Division ("Court"), shall have jurisdiction to interpret and enforce the terms of this Counteroffer/agreement. This Counteroffer/agreement shall be construed pursuant to the laws of the State of California, except to the extent preempted by applicable Federal bankruptcy law.
16. Expiration of Offer: This Counteroffer shall expire, if not executed by Buyer and delivered to Seller's agent, **Josh Hansen, Oregon License #200012039, of Strategic Realty, LLC**, on or before 2:00 p.m. PDT, **Friday, August 3, 2018**.

17. Multiple Offers: Buyer recognizes that multiple offers and/or counteroffers (in addition to the instant Counteroffer) may be pending and Seller reserves the right, per Paragraph 12, to choose which contract to submit to the Bankruptcy Court for approval.

Seller:

DocuSigned by:



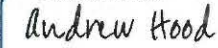
Lynda T. Bui, Solely in her Capacity as Chapter 7 Trustee
for the Bankruptcy Estate of
In re Russel Dennis Hiles, III Case No.: 6:16-bk-16877-WJ

8/2/2018 | 17:21 PDT

Date

**Read, Understood, Agreed To and Accepted:
Buyer:**

DocuSigned by:



26440F018F6D4E5...
Drew Hood - Buyer

8/6/2018 1:12:09 PM PDT

Date

Nic Jones, Oregon License #201210062
Keller Williams Central Oregon

Date

Buyer's Agent



Sale Agreement # 07072018NJ

BUYER'S COUNTER OFFER No. 1

1 This is a counter offer to Seller's Counter Offer.
 2 Buyer: Drew Hood and/or assigns
 3 Seller: Lynda T. Bui, Trustee
 4 The real property described as: 66876 Gist Rd., Bend, OR 97703

5 AGREEMENT TO PURCHASE:

6 Buyer agrees to purchase the real and personal property upon the terms and conditions set forth in the Sale Agreement and subsequent counter offers where
 7 applicable except as modified as follows: -The \$1,995,000 purchase price shall include all personal property. Personal property is sold in
 8 as-is condition with no warranties expressed or implied. Buyer and Seller agree to execute an addendum detailing the list of items
 9 included in the sale within 10 days of mutual acceptance.

10
 11 -Should buyer need to obtain financing due to buyer's property not selling during the due diligence period, the financing contingency
 12 provisions in the sale agreement shall apply to this transaction.

13
 14 -Buyers Due Diligence/ feasibility study period shall go for 30 calendar days and end at 5pm on the 30th calendar day after mutual
 15 acceptance.

16
 17
 18
 19
 20 For additional provisions, see Addendum _____

21 All remaining terms and conditions of the Sale Agreement (and other counter offer(s), where applicable), not otherwise modified, are approved
 22 and accepted by Buyer. Time is of the essence. This Buyer's Counter Offer shall automatically expire on August 10, 2018 at 5 ☐ a.m.
 23 ☒ p.m. ("the Counter Offer Deadline"), if not accepted within that time. This Buyer's Counter Offer may be accepted by Seller only in writing.
 24 However, Buyer may withdraw this Buyer's Counter Offer any time prior to Seller's written acceptance.

25 Buyer Signature Drew Hood Date 8/6/2018 1:13:19 PM PDT a.m. ____ p.m. ←
Drew Hood and/or assigns

26 Buyer Signature _____ Date _____ a.m. ____ p.m. ←

27 SELLER'S RESPONSE (select only one):

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

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

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

36 Seller Signature Lynda T. Bui, Trustee Date 8/13/2018 | 16:17 PDT a.m. ____ p.m. ←
Lynda T. Bui, Trustee

37 Seller Signature _____ Date _____ a.m. ____ p.m. ←

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

42 Seller's Agent Josh Hansen Buyer's Agent Nic Jones

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Sale Agreement # 07072018NJ

SELLER'S COUNTER OFFER No. 21 This is a counter offer to ☐ Sale Agreement or ☒ Buyer's Counter Offer2 Seller: Lynda T. Bui, trustee3 Buyer: Drew Hood and/or assigns4 The real property described as: 66876 Gist Rd., Bend, OR 97703

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. The purchase price of \$1,995,000 does not include any
 7 personal property on site.

8
 9 2. Buyer shall have the right to buy all of the personal property on site for \$10,000, payable at close of escrow. Personal property is sold
 10 in as-is condition with no warranties expressed or implied. If buyer is elects to purchase the personal property, buyer agrees to provide
 11 seller written notice of buyer's election to purchase the personal property upon mutual acceptance. If written notice by buyer
 12 referenced above is not received by the seller upon mutual acceptance, personal property on site will not be included in the sale.

13
 14 3. Upon seller's receipt of buyer's notice to purchase the personal property, Buyer and seller agree to execute an addendum detailing the
 15 list of items included in the sale within 10 days.

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 August 15, 2018 at
 21 5 ☐ a.m. ☒ p.m. ("the Counter Offer Deadline"), if not accepted within that time This Seller's Counter Offer may be accepted by Buyer only in
 22 writing. However, Seller may withdraw this counter offer any time prior to Buyer's written acceptance.

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

29 DocuSigned by:
 30 Seller Signature
 31 Lynda T. Bui, trustee

Date 8/13/2018 | 16:17 PDT a.m. p.m. ←

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 8/15/2018 2:07:54 PM PDT a.m. p.m. ←

39 Buyer Signature Drew Hood and/or assigns 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 Josh Hansen Buyer's Agent Nic Jones

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List of Personal Property Items Located at 66876 Gist Rd. Being Purchased for \$10,000

-FIRST FLOOR

A) HEARTH ROOM

- 1- white L shaped section couch with 7 extra blue pillows
- 1- french chair Blue on the back side and flower print on the front side
- 1-Fireplace hearth spark screen
- 1- 70 inch TV with sound bar below
- 1-Grey pattern rug

B) KITCHEN EATING AREA

- 1- 10 foot long dinning table
- 5- white linen dinning chairs
- 6- tan and blue pillows on top of built in seating bench
- 1- Hoffman cast iron heater decoration piece
- 1-hanging tapestry

C) KITCHEN

- 1-black and decker toaster
- ALL appliances to Stay

POOL TABLE ROOM

- 1- antique pool table with 8 pool sticks and pool balls and mounting rack for sticks
- 1 yatzee game and 1 game of life
- 1 tan linen couch with four green flower pillows
- 1-blue rug under pool table
- 1-42" samsung tv mounted to the wall
- 2 blue dinning chairs

GREAT ROOM

- 1-Wurlitzer baby grand piano with red leather bench
- 1-light green couch 4 pillows that match fabric on the couch
- 2 carved decorative chairs next to fire place
- 1- round table in front of fire place
- 1 large area rug looks persian
- 1- large armoire with glass front
- 1- mirror gold color with vase over fire place
- 1-42" samsung tv mounted on wall
- 1-tan couch under mounted tv
- 1-tan linen chair in the corner of the room

FIRST FLOOR BED ROOM

- 1-restoration hardware queen bed linen upholstery with sterns and foster mattress and box spring set and sheets, 2 pillows and blankets white in color
- 1 grey rug under the bed
- 1 painted two tone french armoire
- 1-30" samsung tv behind armoire
- 1 dresser with 3 drawers french style

ENTRY AND HALLWAYS

- 1-octagon shaped table under chandelier
- 2 blue dinning chairs
- 1 small side table under painting
- 1- 3 naked lady painting drowning or playing flutes
- 1- painted grandfather clock

DINNING ROOM

- 1 Large blue marble dinning table with 8 blue chairs
- 1 large french sideboard with glass doors
- 1- medium size french sideboard
- 1 mounted marble and wrought iron sideboard with mirror above

OFFICE

- 1 duel sided desk
- 2 french chairs at either side of the desk
- 1 tan medium size chair
- 1 decorative asian brass and wrought iron piece 4' tall
- 2- stuffed quale

LAUNDRY IN KITCHEN

- 1 small set of Asko washer and dryer stackable set

-UPSTAIRS

NORTHWEST BEDROOM

- 1- restoration hardware linen upholstered bed with sheets,blankets and pillows all white
- 1-queen mattress and box spring set mattress 1st pillow top
- 1 -blue small chair in corner

MASTER BEDROOM

- 1) King size french style upholstered bed with sterns and foster pillow top mattress and box spring set
- 1- 48" samsung TV
- 1 white and blue rug under bed

MASTER BATHROOM

- 1 -42" samsung TV

SOUTHWEST BEDROOM

- 1 queen wood restoration hardware bed with mattress 1st pillow top and box spring set with blankets pillows and sheets
- 1- small desk

SOUTHEAST BEDROOM

- 2 - Twin beds with sheets blankets and pillows no headboards
- 1- blue print small chair

HALLWAY UPSTAIRS

- 1- painted skinny grandfather clock

LAUNDRY ROOM UPSTAIRS

set of washer and dryer front load electrolux set
vacuum equipment for whole house vacuum system in cabinetry
1 ironing board

MIDDLE EAST FACING BEDROOM

1- french amiore
1 queen size upholstered bed with mattress 1st pillow top mattress with box spring set, sheets and 5 pillows no blanket

NORTH EAST BEDROOM

1- restoration hardware queen linen upholstered bed with mattress 1st pillow top and box spring set, sheets, 4 pillows and 2 blankets
1-small 2 drawer dresser orange in color french style

-ELECTRONIC EQUIPMENT ROOM

ALL AUDIO VISUAL EQUIPMENT TO STAY

1- gun safe green in color 4' tall
vacuflow whole house vacuum system

-WORKOUT ROOM

1 schwinn journey 1.5 stationary bicycle
1-Parabody gym system

-APARTMENT ABOVE GARAGE

1 white sleigh style queen bed with mattress and box spring set


-GARAGE

3 Restoration hardware linen dining chairs that match the kitchen eating set

-SECOND GARAGE

outdoor kitchen set -viking gas grill
outdoor viking refrigerator
2 mountable shelves half round wrought iron
7 exterior light bronze color
2"visual comfort brand" wall sconces
1 trek road bike blue and white
1 gary fisher mountain bike
viking trim kit for out door kitchen
2 hanging light fixtures in boxes "david latesta" brand

DocuSigned by:

X 
SELLER

DATE: 9/8/2018 | 09:10 PDT

X 
BUYER

DATE: 9/10/2018 12:34:15 PM PDT

Exhibit 4

Broker Costs



Statement

TO
Lynda Bui

STATEMENT NO. 1009
DATE 09/27/2018

DATE	SERVICE	AMOUNT	RECEIVED
04/25/2018	Invoice #1017	509.31	0.00
05/21/2018	Invoice #1020	211.71	0.00
08/07/2018	Invoice #1025	146.58	0.00
08/08/2018	Invoice #1026	198.50	0.00
09/24/2018	Invoice #1035	137.35	0.00
		TOTAL AMOUNT	TOTAL RECEIVED
		\$1,203.45	\$0.00



CENTRAL ELECTRIC COOPERATIVE, INC.

• P.O. Box 846, Redmond, OR 97756 541.548.2144

SIGN UP FOR THE BALANCED PAYMENT PLAN!

MAKE BALANCING YOUR BUDGET EASIER BY KNOWING IN ADVANCE WHAT YOUR WINTER PAYMENTS WILL BE. RESIDENTIAL MEMBERS CAN PAY THE SAME AMOUNT EVERY MONTH YEAR-ROUND BY SIGNING UP FOR CEC'S BALANCED PAYMENT PLAN.

ENROLLMENT FOR THE PLAN BEGINS MAY 1 AND CONTINUES THROUGH SEPTEMBER 30. FOR MORE INFORMATION VISIT OUR WEBSITE AT WWW.CEC.COOP OR TALK TO A REPRESENTATIVE AT 541.548.2144.

023

0

2017	2018	
Daily KWH Usage by Month		
Period Ending	Total KWH	Average KWH/Day
APR 2018	0	0
APR 2017	0	0
COST PER DAY: \$0.00		

Meter Nbr	Prev. Read Dt	Prev. Read	Pres. Read Dt	Pres. Read	Mult.	KWH	KWD	Rate	Service Address
128798109	03/21/18	0	04/06/18	0	120	0	0.00	RES01	66876 GIST RD/NEW HSE

NEW ACCT ESTIMATED METER

ESTIMATED METER EXCHANGE

COOP PROVIDED ELECTRIC SERVICE
PREVIOUS BALANCE
SUBTOTAL
CURRENT MONTH ENERGY CHARGES
FACILITIES CHARGE
DEPOSIT INSTALLMENT
ELECTRIC SERVICE SUBTOTAL
OTHER ACTIVITIES
MEMBERSHIP
LOCKING RING CHARGE
METER TAMPERING FEE
METER REPLACEMENT COST
TOTAL OTHER ACTIVITIES

ACCOUNT NUMBER: 1402
\$0.00
\$0.00
\$16.45
\$180.00
\$196.45
\$5.00
\$2.00
\$150.00
\$155.86
\$312.86

TOTAL AMOUNT DUE ON 04/25/2018
NEW ACCT METER EXCHANGE

\$509.31

If you would like to pay with a credit card, please call 855.384.9811
or you can pay online at www.cec.coop.

Return Bottom Portion with Your
Payment in the Envelope Provided



2526 1 AB 0.408 8/313 003284 0001:0001
KERRY P ONEAL
C/O STRATEGIC REALTY
384 SW UPPER TERRACE DR SUITE
BEND OR 97702-3514



Account Number: 1402
Service Location: 104-TL2200A
Total Amount Due: \$509.31
Current Due Date: 04/25/2018

3902583017314020000509310000509315

EXHIBIT 4



CENTRAL ELECTRIC COOPERATIVE, INC.

• P.O. Box 846, Redmond, OR 97756 541.548.2144

CALL BEFORE YOU DIG - IT'S THE LAW!

SPRINGTIME MEANS DIGGING AND PLANTING.
MAKE SURE YOU DON'T DAMAGE UTILITY LINES OR
DISRUPT VITAL SERVICES TO YOUR NEIGHBORHOOD.
DIAL 811 FIRST. AVOID POSSIBLE INJURY,
EXPENSIVE FINES AND REPAIR BILLS.

OREGON STATE LAW REQUIRES HOMEOWNERS,
CONTRACTORS AND EXCAVATORS TO CONTACT
THE ONE-CALL CENTER AT LEAST TWO BUSINESS DAYS
BEFORE DIGGING. CALL 811 BEFORE YOU DIG!

2520
2016
1512
1008
504
0

A M

2017

Daily KWH Usage by Month

2018

Period Ending	Total KWH	Average KWH/Day
MAY 2018	2,520	252
MAY 2017	0	0

COST PER DAY: \$19.38

Meter Nbr	Prev. Read Dt	Prev. Read	Pres. Read Dt	Pres. Read	Mult.	KWH	KWD	Rate	Service Address
128798107	04/16/18	0	05/05/18	7	120	840	8.40	RES01	66876 GIST RD/NEW HSE

METER EXCHANGE

COOP PROVIDED ELECTRIC SERVICE

PREVIOUS BALANCE

PAYMENTS

SUBTOTAL

CURRENT MONTH ENERGY CHARGES

DEMAND CHARGE

ELECTRIC CHARGE

FACILITIES CHARGE

ELECTRIC SERVICE SUBTOTAL

OTHER ACTIVITIES

LOCKING RING CHARGE

TOTAL OTHER ACTIVITIES

ACCOUNT NUMBER:

1402

\$509.31

\$509.31-

\$0.00

8.400 KWD @ 0.000000

\$0.00

2,520 KWH @ 0.076900

\$193.79

\$15.92

\$209.71

\$2.00

\$2.00

TOTAL AMOUNT DUE ON 05/25/2018

\$211.71

METER EXCHANGE

If you would like to pay with a credit card, please call 855.384.9811
or you can pay online at www.cec.coop.

Return Bottom Portion with Your
Payment in the Envelope Provided



KERRY P ONEAL
C/O STRATEGIC REALTY
384 SW UPPER TERRACE DR SUITE 212
BEND OR 97702-0000

Account Number: 1402
Service Location: 104-TL2200A
Total Amount Due: \$211.71
Current Due Date: 05/25/2018

1/X

3902583017314020000211710000211711

EXHIBIT 4

MAIL TO: CENTRAL ELECTRIC COOPERATIVE, INC. • P.O. BOX 846 • REDMOND, OREGON 97756

**CENTRAL ELECTRIC
COOPERATIVE, INC.**

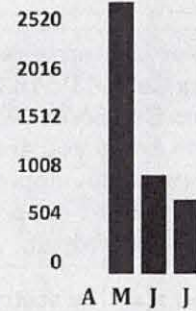
• P.O. Box 846, Redmond, OR 97756

541.548.2144

GO PAPERLESS

SIGN ON TO SMARTHUB ONLINE OR MOBILE APP AND
BEGIN TO EXPLORE YOUR ACCOUNT OPTIONS. YOU CAN
VIEW OR PAY YOUR BILL, CHOOSE TO RECEIVE MONTHLY
BILLING NOTICES BY EMAIL OR TEXT, SIGN UP FOR AUTO
PAY, AND YOU CAN CHOOSE TO GO PAPERLESS!

VIEW USAGE HISTORY MONTHLY, DAILY OR HOURLY.
COMPARE PAST BILLS. YOU CAN MAKE A PAYMENT
ON YOUR ACCOUNT WITH A CREDIT OR DEBIT CARD
ANYTIME FROM ANYWHERE. PLEASE LOG ON AND
VISIT US AT WWW.CEC.COOP.



Daily KWH Usage by Month

Period Ending	Total KWH	Average KWH/Day
JUL 2018	600	20
JUL 2017	0	0

COST PER DAY: \$1.54

Meter Nbr	Prev. Read Dt	Prev. Read	Pres. Read Dt	Pres. Read	Mult.	KWH	KWD	Rate	Service Address
128798107	06/05/18	14	07/05/18	19	120	600	6.24	RES01	66876 GIST RD/NEW HSE

COOP PROVIDED ELECTRIC SERVICE

PREVIOUS BALANCE

SUBTOTAL

CURRENT MONTH ENERGY CHARGES

ELECTRIC CHARGE

DEMAND CHARGE

FACILITIES CHARGE

ELECTRIC SERVICE SUBTOTAL

OTHER ACTIVITIES

LOCKING RING CHARGE

TOTAL OTHER ACTIVITIES

ACCOUNT NUMBER:

1402

\$82.52

\$82.52

600 KWH @ 0.076900

\$46.14

6.240 KWD @ 0.000000

\$0.00

\$15.92

\$62.06

\$2.00

\$2.00

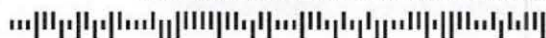
TOTAL AMOUNT DUE ON 07/25/2018**\$146.58**

If you would like to pay with a credit card, please call 855.384.9811
or you can pay online at www.cec.coop.

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Payment in the Envelope Provided**



2538 1 AB 0.408 8/324 003294 0001:0001



KERRY P ONEAL

C/O STRATEGIC REALTY

384 SW UPPER TERRACE DR SUITE

BEND OR 97702-3514



Account Number: 1402

Service Location: 104-TL2200A

Total Amount Due: \$146.58

Current Due Date: 07/25/2018

3902583017314020000146580000146585

WORK ORDER
INVOICE



BEND LOCK & SAFE INC.
204 N.E. Franklin Ave.
BEND, OR 97701
(541) 389-1515 Fax (541) 389-3805
CCB# 104386 Federal Tax# 93-1160406
www.bendlockandsafe.com

A 135709

NAME J H M B and B DATE 2/2/18
ADDRESS 66876 6th RD
PHONE 678-0756
LOCATION _____ TERMS V SA

MATERIAL	QTY.	DESCRIPTION	PRICE	AMOUNT
	2	DUPLICATE KEYS	2.50	5.00
		ORIGINAL KEYS		
		DEADBOLT (TYPE)		
		KNOBSET (TYPE)		
		LOCKSET (TYPE)		
			TOTAL MATERIAL	

LABOR	DESCRIPTION	HRS / RATE	AMOUNT
	LABOR TO INSTALL ABOVE <u>lock out / no key</u>		75.00
	CYLINDER COMBINATION CHANGE	11.50	103.50
	SAFE COMBINATION CHANGE		
	EMERGENCY HOME/AUTO LOCKOUT SERVICE		
	SERVICE CALL		65.00

- | | | | |
|--|---|---------------------------------------|--------------------------------------|
| <input type="checkbox"/> MAIN ENTRANCE | <input type="checkbox"/> REAR DOOR | <input type="checkbox"/> WINDOW | <input type="checkbox"/> SAFE |
| <input type="checkbox"/> FRONT DOOR | <input type="checkbox"/> HALL DOOR | <input type="checkbox"/> CLOSET | <input type="checkbox"/> PATIO DOOR |
| <input type="checkbox"/> SIDE DOOR | <input type="checkbox"/> INSIDE | <input type="checkbox"/> | |
| <input type="checkbox"/> OPEN LOCK(S) | <input type="checkbox"/> INSTALL | <input type="checkbox"/> REPIN | <input type="checkbox"/> CLEAN/LUBR. |
| <input type="checkbox"/> SECURE PREMISES | <input type="checkbox"/> REMOVE & REPLACE | <input type="checkbox"/> CHANGE COMB. | <input type="checkbox"/> ADJUST |
| <input type="checkbox"/> FIT KEYS | <input type="checkbox"/> MASTER KEY | <input type="checkbox"/> | |

TOTAL LABOR	
SUB-TOTAL	
TAX	
TOTAL	198.50

AUTHORIZATION FOR SECURITY/EMERGENCY SERVICES
I hereby certify that I have the authority to order the lock, key or security work designated above. Further, I agree to absolve the locksmith who bears this authorization from any and all claims arising from the performance of such work.

PLEASE PAY FROM THIS COPY

SIGNATURE _____

DATE 2/2/18

DELUXE FOR BUSINESS 1-800-888-6327

IF AUTO	
YEAR	MAKE
MODEL	
LICENSE NO.	

EXHIBIT 4 35301709

Strategic Realty, LLC*

384 SW Upper Terrace Dr., Suite 212
Bend, OR 97702
catherine@movetobend.com
www.movetobend.com



STRATEGIC REALTY

INVOICE

BILL TO
Lynda Bui

INVOICE # 1035
DATE 09/24/2018
DUE DATE 10/24/2018
TERMS Net 30

SERVICE	QTY	RATE	AMOUNT
Expense Reimbursement:Reimbursement Gist Power Bill August	1	54.83	54.83
Expense Reimbursement:Reimbursement Gist Power Bill September	1	82.52	82.52

BALANCE DUE

\$137.35

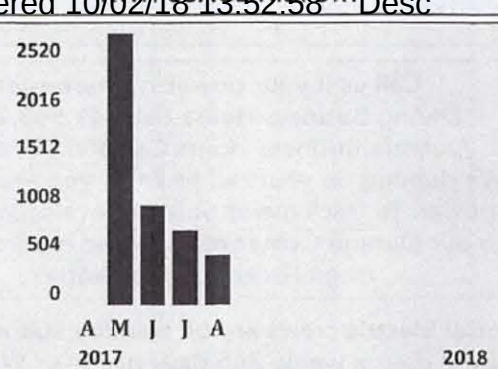


• P.O. Box 846, Redmond, OR 97756

541.548.2144

SMARTHUB

ALL THE INFORMATION YOU NEED TO KNOW ABOUT YOUR ENERGY USAGE AND BILLING INFORMATION IS AT YOUR FINGERTIPS WITH SMARTHUB. LEARN HOW YOUR USAGE VARIES BY THE DAY, MAKE CHANGES TO YOUR PAYMENT METHODS, AND GET UPDATES ON NEW PROGRAMS.

SIGN UP FOR SMARTHUB TODAY AT WWW.CEC.COOP.**KWH USAGE HISTORY**

Daily KWH Usage by Month

Period Ending	Total KWH	Average KWH/Day
AUG 2018	480	15
AUG 2017	0	0

COST PER DAY: \$1.19

Meter Nbr	Prev. Read Dt	Prev. Read	Pres. Read Dt	Pres. Read	Mult.	KWH	KWD	Rate	Service Address
128798107	07/05/18	19	08/05/18	23	120	480	5.28	RES01	66876 GIST RD/NEW HSE

COOP PROVIDED ELECTRIC SERVICE

PREVIOUS BALANCE

LATE CHARGE

PAYMENTS

SUBTOTAL

CURRENT MONTH ENERGY CHARGES

ELECTRIC CHARGE

DEMAND CHARGE

FACILITIES CHARGE

ELECTRIC SERVICE SUBTOTAL

OTHER ACTIVITIES

LOCKING RING CHARGE

TOTAL OTHER ACTIVITIES

ACCOUNT NUMBER:

1402

\$146.58

\$2.00

\$148.58

\$0.00

480 KWH @ 0.076900

\$36.91

5.280 KWD @ 0.000000

\$0.00

\$15.92

\$52.83

\$2.00

\$2.00

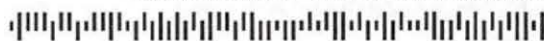
TOTAL AMOUNT DUE ON 08/25/2018**\$54.83**

If you would like to pay with a credit card, please call 855.384.9811
or you can pay online at www.cec.coop.

**Return Bottom Portion with Your
Payment in the Envelope Provided**



2590 1 AB 0.408 8/323 003352 0001:0001



KERRY P ONEAL

C/O STRATEGIC REALTY

384 SW UPPER TERRACE DR SUITE

BEND OR 97702-3514



Account Number: 1402

Service Location: 104-TL2200A

Total Amount Due: \$54.83

Current Due Date: 08/25/2018

3902583017314020000054830000054835

EXHIBIT 4

**CENTRAL ELECTRIC
COOPERATIVE, INC.**

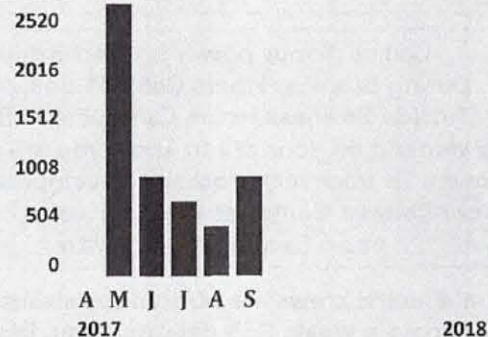
• P.O. Box 846, Redmond, OR 97756

541.548.2144

CEC'S DIRECT PAYMENT PLAN

ENROLL TODAY AND TAKE ADVANTAGE OF CEC'S
CONVENIENT, NO FEES PAYMENT PLAN. AUTOMATICALLY
PAY YOUR BILL EACH MONTH BY HAVING CEC WITHDRAW
YOUR PRE-AUTHORIZED PAYMENT FROM YOUR FINANCIAL
INSTITUTION OR CREDIT CARD ON THE BILL'S DUE DATE

INTERESTED? CONTACT ONE OF OUR CUSTOMER SERVICE
REPRESENTATIVES ABOUT MAKING THE SWITCH
OR SIGNUP ONLINE IN YOUR SMARTHUB ACCOUNT
AT WWW.CEC.COOP.



Daily KWH Usage by Month

Period Ending	Total KWH	Average KWH/Day
SEP 2018	840	27
SEP 2017	0	0

COST PER DAY: \$2.08

Meter Nbr	Prev. Read Dt	Prev. Read	Pres. Read Dt	Pres. Read	Mult.	KWH	KWD	Rate	Service Address
128798107	08/05/18	23	09/05/18	30	120	840	15.36	RES01	66876 GIST RD/NEW HSE

COOP PROVIDED ELECTRIC SERVICE

PREVIOUS BALANCE

PAYMENTS

SUBTOTAL

CURRENT MONTH ENERGY CHARGES

ELECTRIC CHARGE

DEMAND CHARGE

FACILITIES CHARGE

ELECTRIC SERVICE SUBTOTAL

OTHER ACTIVITIES

LOCKING RING CHARGE

TOTAL OTHER ACTIVITIES

ACCOUNT NUMBER:

1402

\$54.83

\$54.83-

\$0.00

840 KWH @ 0.076900

\$64.60

15.360 KWD @ 0.000000

\$0.00

\$15.92

\$80.52

\$2.00

\$2.00

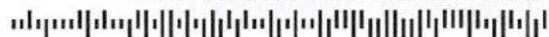
TOTAL AMOUNT DUE ON 09/25/2018**\$82.52**

If you would like to pay with a credit card, please call 855.384.9811
or you can pay online at www.cec.coop.

**Return Bottom Portion with Your
Payment in the Envelope Provided**



2503 1 AB 0.408 8/307 003262 0001:0001



KERRY P ONEAL

C/O STRATEGIC REALTY

384 SW UPPER TERRACE DR SUITE 212

BEND OR 97702-3514



Account Number: 1402

Service Location: 104-TL2200A

Total Amount Due: \$82.52

Current Due Date: 09/25/2018

3902583017314020000082520000082521

EXHIBIT 4

Exhibit 5

Insurance Premiums

**Trustee Insurance Agency**

2813 West Main

Kalamazoo, MI 49006

(877) 237-8167

JAC@trusteeresourcegroup.com

Statement

TO

Lynda Bui

RE: Hiles Case # 16-16877

3550 Vine Street,

Suite 210

Riverside, CA 92507

United States of America

STATEMENT NO. 3522**DATE 09/27/2018****TOTAL DUE \$14,049.10****ENCLOSED**

DATE	ACTIVITY	AMOUNT	BALANCE
01/31/2018	Balance Forward		0.00
02/05/2018	Invoice #9849 --- 02/02/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Coverage Period: 2/2/18 - 3/1/18 Deductible: \$2,500.00 = \$1,288.00 --- 02/02/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00 --- 02/05/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00	1,313.00	1,313.00
03/05/2018	Invoice #9986 --- 03/05/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Coverage Period: 3/1/18 - 3/31/18 Deductible: \$2,500.00 = \$1,288.00 --- 03/05/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00 --- 03/05/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00	1,313.00	2,626.00
04/01/2018	Invoice #10120	1,313.00	3,939.00

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	4,858.10	1,313.00	1,313.00	6,565.00	\$14,049.10

For more information related to our TAX and ACCOUNTING services please contact:

Cheryl Wesler: cheryl@trusteeresourcegroup.com

EXHIBIT 5

DATE	ACTIVITY	AMOUNT	BALANCE
	<p>--- 04/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00</p> <p>--- 04/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00</p> <p>--- 04/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00</p>		
05/01/2018	Invoice #10250	1,313.00	5,252.00
	<p>--- 05/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00</p> <p>--- 05/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00</p> <p>--- 05/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00</p>		
06/01/2018	Invoice #10389	1,313.00	6,565.00
	<p>--- 06/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00</p> <p>--- 06/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00</p> <p>--- 06/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00</p>		
07/01/2018	Invoice #10524	1,313.00	7,878.00
	<p>--- 07/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00</p> <p>--- 07/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00</p>		

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	4,858.10	1,313.00	1,313.00	6,565.00	\$14,049.10

DATE	ACTIVITY	AMOUNT	BALANCE
	--- 07/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00		
08/01/2018	Invoice #10639	1,313.00	9,191.00
	--- 08/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00		
	--- 08/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00		
	--- 08/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00		
09/01/2018	Invoice #10755	1,313.00	10,504.00
	--- 09/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00		
	--- 09/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00		
	--- 09/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00		
09/01/2018	Invoice #10756	1,313.00	11,817.00
	--- 09/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 = \$1,288.00		
	--- 09/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00		
	--- 09/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums = \$0.00		
	--- 09/01/2018 Gratuity =		
10/01/2018	Invoice #10832	2,232.10	14,049.10

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	4,858.10	1,313.00	1,313.00	6,565.00	\$14,049.10

For more information related to our TAX and ACCOUNTING services please contact:
Cheryl Wesler: cheryl@trusteeresourcegroup.com

EXHIBIT 5

DATE	ACTIVITY	AMOUNT	BALANCE
	--- 10/01/2018 Property Address: 66876 Gist Rd., Bend, OR 97703 Insured Value: \$1.61 million Deductible: \$2,500.00 Coverage Period 2/2/18 - 10/31/18 = \$1,288.00 --- 10/01/2018 General Liability: \$1 million per occurrence/\$2 million aggregate = \$25.00 --- 10/01/2018 Trustee Resource Group agrees to finance this policy at a rate of 7% until close of escrow, 6 months or \$10,000 in premiums. Financed through 10/31/18 = \$919.10		

Current Due	1-30 Days Past Due	31-60 Days Past Due	61-90 Days Past Due	90+ Days Past Due	Amount Due
0.00	4,858.10	1,313.00	1,313.00	6,565.00	\$14,049.10