

**REAL STATE PURCHASE AGREEMENT**

This CONTRACT OF PURCHASE MADE AS OF August 17, 2010 between  
Kirk Douglas Construction Co. Inc. the "Seller" whether one or more)  
and Burt Lancaster

(the "Purchaser) whether one or more), is a binding and legal agreement and provides:

1. REAL PROPERTY: Purchaser agrees to buy and Seller agrees to sell the land, all improvements thereon located in the (check as applicable)

( ) County or (X) City of \_\_\_\_\_, \_\_\_\_\_ and described as (Legal Description);

Lot \_\_\_\_\_ Parcel 1 \_\_\_\_\_, Block \_\_\_\_\_, Section \_\_\_\_\_, Phase \_\_\_\_\_,

Map of \_\_\_\_\_ Partition Plat No. 20020 \_\_\_\_\_ And more commonly known as: 105 NE Forest Lane, Cascade Locks, OR 97014

Together with the items of personal property described in paragraph 10 (the "Property").

**AGENCY DISCLOSURE AND CONFIRMATION**

The following agency relationships are hereby confirmed by the signatures below. If a transaction involves Disclosed Dual Agency or Disclosed Designated Agency, the responsibilities of the parties are defined in the Disclosed Dual Agency Consent and Confirmation Agreement or the Designated Agency Consent and Confirmation Agreement which appropriate Agreement has been reviewed and signed prior to signing the Purchase Agreement.

Listing Agent Tony Curtis Selling Agent Tyrone Power

is the agent of (check one)

the Seller

both the Purchaser and the Seller

(if not the same as the listing agent)

is the agent of (check one)

the Purchaser

the Seller

Kirk Douglas, Pres. 08/17/2010  
SELLER DATE

Burt Lancaster 08/17/2010  
PURCHASER DATE

SELLER DATE

PURCHASER DATE

2. ADDENDA: The following addenda are made a part of this Contract

( ) Residential Property Disclosure

( ) Lead-Based Paint Disclosure

(X) Standard Clauses Addendum

(X) Inspection Addendum

( ) Residential Septic System Disclosure

( ) \_\_\_\_\_

3. OCCUPANCY Disclosure: Purchaser acknowledges that he intends to  occupy \_\_\_\_\_ not occupy the property as a principal residence.

4. **RESIDENTIAL PROPERTY DISCLOSURE:** Seller represents that the property ( ) is OR (X) is not subject to the State Residential Property Disclosure Act, which requires the Seller of certain residential property to furnish the Purchaser a property disclosure statement. No representations have been made by Seller regarding parcels adjacent to the Property. The Purchaser should exercise whatever due diligence he or she deems necessary with respect to adjacent parcels prior to settlement on the Property. The Purchaser has been furnished a Residential Property Disclosure Form prior to signing this Contract. If the Disclosure is not furnished prior to the signing of this Contract, Purchaser shall have the right to terminate the Contract at or prior to the earliest of (i) three (3) days after delivery of the Disclosure in person, or (ii) five days after the postmark if the Disclosure is deposited in the United States mail, postage prepaid, and properly addressed to the Purchaser, or (iii) settlement upon purchase of the Property, or (iv) occupancy of the Property by the Purchaser, or (v) the execution by Purchaser of waiver of the Purchaser's right of termination contained in a written document separate from this Contract, or (vi) the Purchaser making written application to a lender for a mortgage loan where such application contains a disclosure that the right of termination shall end upon the application for the mortgage loan. In order to terminate this Contract, the Purchaser must give written notice to the Seller either by hand delivery or by United States mail, postage prepaid, and properly addressed to the Seller. Upon Termination by Purchaser, the Deposit shall be refunded in full to the Purchaser.

5. **PROPERTY OWNER'S ASSOCIATION DISCLOSURE:** Seller represents that the Property ( ) is OR (X) is not located within a development which is subject to the State Property Owners Association Act (the Act). If the property is within such a development, the Act requires the Seller to obtain from the property owners association an association disclosure packet and provide it to the purchaser or notify Purchaser that the packet is unavailable. The information contained in the association disclosure packet shall be current as of a date specified on the association disclosure packet. The Purchaser may submit a copy of the contract to the association with a request for assurance that the information required by the Act previously furnished remains materially unchanged, or, if there have been material changes, a statement specifying such changes. The Purchaser shall be provided with such assurance or such statement within ten days of the receipt of such request by the association. The Purchaser may be required to pay a fee for the preparation and issuance of the requested assurances. The Purchaser may cancel the Contract (a) within 3 days after the Date of the fully executed Contract, if on or before the Date of the fully executed Contract, the Purchaser receives the association disclosure packet or is notified that the association disclosure packet is not available; (b) within 3 days after hand delivered receipt of the association disclosure packet or notice : or (c) within 6 days after the post mark date if the association disclosure packet or notice is mailed to the Purchaser. The Purchaser may also cancel this Contract at any time prior to settlement if the Purchaser has not been notified that the association disclosure packet will not be available from the association or the association disclosure packet is not delivered to the Purchaser. Written notice of cancellation shall be made to the Seller within the cancellation period by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) (electronic means where the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service of the United States Postal Service. The sender shall have the burden to demonstrate delivery of the cancellation notice. If this Contract is cancelled pursuant to this paragraph, such cancellation shall be without penalty, this Contract shall terminate and the Deposit shall be refunded in full to the Purchaser in accordance with the procedure defined in Paragraph 11(a) and in accordance with the procedure of the Act. The right to receive the association disclosure packet and to cancel this Contract terminates at settlement.

6. **CONDOMINIUM DISCLOSURE:** Seller represents that the Property ( ) is OR (X) is not a condominium resale which is subject to the State Condominium Act (the Condominium Act). If the property is subject to the Condominium Act, the Condominium Act requires the Seller to obtain from the unit owners association a resale certificate and provide it to the purchaser. The information contained in the resale certificate shall be current as of a date specified on the resale certificate. The Purchaser may submit a copy of the contract to the unit owners association with a request for assurance that the information required by the Condominium Act previously furnished remains materially unchanged, or, if there have been material changes, a statement specifying such changes. The Purchaser shall be provided with such assurance or such a statement specifying such changes. The Purchaser shall be provided with such assurance or such statement within ten days of the receipt of such request by the association. The Purchaser may be required to pay the same fee charged a unit owner for the resale certificate, if any. In the absence of a written agreement to the contrary, the failure of the unit owners' association to provide the statement required by the Condominium Act or the disclosure by such statement that there have been one or more material changes shall render the purchase contract void at the option of the purchaser. The Purchaser may cancel the Contract (i) within 3 days after the Date of the fully executed Contract, if on or before the Date of the fully executed Contract, if the Purchaser received the resale certificate on or before the date that the Purchaser signs the contract (ii) within three days after receiving the resale Certificate if the resale certificate is hand delivered; or within six days after the postmark date if the resale certificate is sent to the Purchaser by United States mail. Written notice of cancellation shall be made to the unit owner selling the unit by one of the following methods: (i) hand delivery; (ii) United States mail, postage prepaid provided the sender retains sufficient proof of mailing; (iii) (electronic means where the sender retains sufficient proof of the electronic delivery; or (iv) overnight delivery using a commercial service of the United States Postal Service. The sender shall have the burden to demonstrate delivery of the cancellation notice. Such cancellation shall be without penalty, and the unit owners shall cause any deposit to be returned promptly to the Purchaser in accordance with the Condominium Act. The right to receive the resale certificate and the right to cancel this Contract are waived conclusively if not exercised before settlement.

7. **MECHANIC'S LIEN DISCLOSURE** State law permits persons performing labor or furnishing materials of the value of \$50 or more, including the reasonable rental or use value of equipment, for site development improvements and/or for the construction, removal, repair or improvements of any building or structure permanently annexed to the property shall have a lien, if perfected, against the property. This lien may be filed any time after the work is commenced or material furnished, but not later than 90 days from the last day of the month in which the lienor last performs labor or furnishes materials, and in no event later than 90 days from the time such building or structure is completed or the work thereon is otherwise terminated. **AN ENFORCEABLE LIEN FOR WORK PERFORMED OR MATERIALS PROVIDED PRIOR TO THE DATE OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.**

8. **FAIR HOUSING DISCLOSURE:** All offers shall be presented and considered without regard to race, color, religion, sex, handicap, familial status, elderliness or national origin as well as all classes protected by the laws of the United States, the State of           Oregon           and applicable local jurisdiction.

9. **MEGAN'S LAW DISCLOSURE:** Purchaser should exercise whatever due diligence Purchaser deems necessary with respect to information on any sexual offenders registered under applicable Federal or State law. Such information may be obtained by contacting your local police department or the Department of State Police, Central Criminal Records exchange, at 111-222-3333 or [www.sp.state.state.as](http://www.sp.state.state.as).

10. **PERSONAL PROPERTY INCLUDED** Included with the sale of the above real estate (if located within said Property at time of signing this agreement, unless otherwise noted) are the following appliances in kitchen (garbage disposal, range, oven and dishwasher), shades, blinds, curtain and drapery rods, screens and screen doors, storm windows and doors, light fixtures, wall to wall carpeting, laundry tubs, attic fan, smoke and heat detectors, awning, electrical wiring connections for appliances, ceiling fan (s), garage door opener(s), and all other items attached to the real estate and being a part thereof, including all shrubbery and plantings on the Property.

11. PURCHASE PRICE: The Purchase price of the property is Two Hundred Thousand and 00/100  
\_\_\_\_\_ Dollars (\$ 200,000 ),

which shall be paid to Seller at Settlement, subject to the prorations described herein and/or from the following sources:

(A) DEPOSIT: The Purchaser has made a deposit of Five Hundred Dollars (\$ 500.00 )  
("Deposit") with the Selling Firm as follows:

\$ 500 (  ) by check, \$ \_\_\_\_\_ ) by other,

\$ \_\_\_\_\_ ( ) by note due and payable on \_\_\_\_\_, receipt of which is hereby acknowledged.  
Upon full execution of this Contract by all parties, the Deposit shall be placed in a special escrow account of the Selling Firm to conform with all applicable state and federal requirements. This escrow account may be an interest bearing account. The Purchaser and Seller waive any claim to any interest accrued or earned by such account and acknowledge that any interest shall be disbursed to the Selling Firm. The Deposit shall be held in escrow until (i) credited toward the Purchase Price at settlement; (ii) all parties have agreed in writing as to the disposition; (iii) a court of competent jurisdiction orders disbursement or (iv) disposed of any other manner authorized by the State Real Estate Board. (See paragraph 18 for additional information on Entitlement to Deposit.)

(B) LENDER'S FIRST TRUST: The sale is subject to Purchaser obtaining:

( ) CONVENTIONAL, ( ) FHA, (  ) VA, or ( ) other (describe) \_\_\_\_\_ loan secured by a first deed of  
trust lien on the Property in the principal amount of \$ \_\_\_\_\_, amortized over a term of \_\_\_\_\_ years, bearing  
interest:

( ) at a fixed rate not exceeding \_\_\_\_% per year and requiring not more than a total of \_\_\_\_ loan discount points, excluding a loan origination fee

( ) at an adjustable rate with an initial rate not exceeding \_\_\_\_\_% per year and a maximum rate during the term of the loan not exceeding  
\_\_\_\_\_ % per year and requiring not more than a total of \_\_\_\_\_ loan discount points excluding a loan origination fee.

(  ) at the prevailing rate of interest at the time of settlement.

(C) BALANCE OF THE PURCHASE PRICE: To be paid by Purchaser in cash, cashier's check, certified check or wire transfer funds at  
settlement.

12 LOAN APPLICATION: Purchaser will make written application for any loan to which this Contract is subject within 10 business days,  
as defined in Standard Provision A, after full execution of this Contract and will make every effort to secure the loan and will accept the loan once  
approved. Making written loan application is defined as completing the loan application and all applicants signing the application, paying for the  
appraisal and credit report(s). If Purchaser fails to make written application within the time specified, Seller at its option will have the right to terminate  
the Contract upon notice to Purchaser. If the Purchaser makes timely application and having made every effort, fails to obtain approval on or before  
09/30/2010 (date), Purchaser will not be deemed in default, but Seller will nevertheless have the right to terminate the Contract upon notice to  
Purchaser; Purchaser, in that event, Purchaser will be entitled to refund of the Deposit. Absent such notice from the Seller, the time for loan approval  
will be automatically extended until Seller notifies Purchaser of termination. In this paragraph the word "approved" with respect to the loan means the  
written commitment of the lender to make the loan without the fulfillment of conditions dependent upon the actions of third parties, such as the sale or  
settlement or lease of other real estate or increase in salary unless otherwise agreed to in writing by all parties. If Purchaser makes every effort to  
obtain the loan, but fails and this Contract is terminated, Purchaser will be entitled to return of the Deposit. The Purchaser grants permission for the  
Selling Agent and the lender to disclose to the Seller's Agent general information available about the progress of the loan application and loan  
approval process.

In the event the lender requires repairs as condition for loan approval, the Purchaser will provide the Seller or Seller's Agent a copy of the repairs  
required by the lender as a condition for loan approval as soon as the list of repairs is available from the lender on or before  
08302010 (date), whichever is sooner. Seller shall notify Purchaser in writing within 5 business days after receiving the written list of  
repairs whether (a) Seller will make the repairs as a condition for loan approval. All repairs made on behalf of the Seller shall be completed prior to  
closing and will be performed by a State licensed contractor unless otherwise agreed in writing by all parties, or (b) if Seller is unwilling to correct the  
problems, the Purchaser will have 5 business days within which to notify Seller in writing if (1) Purchaser elects to make the repairs as condition of  
loan approval. All repairs made on behalf of Purchaser shall be completed prior to closing and will be performed by a State licensed contractor unless  
otherwise agreed in writing by all parties. Or (2) Purchaser elects to terminate this contract and receive a refund of the Deposit. In the event  
Purchaser does not respond in writing within the specified time period, Seller will have the right to terminate the Contract upon notice to Purchaser  
and the Deposit will be refunded to the Purchaser

The purchaser shall be in default if settlement does not occur because the Purchaser:

- (a) Fails to apply for any loan on the same terms set forth in this Contract; or
- (b) Fails to lock-in the interest rate(s) and the rate(s) increase so that the Purchaser no longer qualifies for such financing; or
- (c) Fails to comply with lender's requirements in a timely manner; or
- (d) Does not have the funds to settle as provided in this Contract at the time of settlement; or
- (e) Fails to notify lender, Seller or Listing Firm promptly of any material adverse change in Purchaser's financial situation that affects Purchaser's  
ability to obtain the financing; or
- (f) Does any act or fails to do any act following the date of full execution of this Contract that prevents the Purchaser from obtaining the financing; or
- (g) Makes any knowingly false representations, material omission or other inaccurate submission or statement that result in Purchaser's inability to  
secure the financing.

13. INSPECTIONS: This Contract (  ) is OR ( ) is not subject to one or more inspections. In the event that Purchaser elects to include  
inspection contingencies, the Inspection Addendum shall be executed and become a part of this Contract.

#### 14. EQUIPMENT CONDITION AND INSPECTION:

(A) If Purchaser's obligations under this Contract are contingent on a professional home inspection of the primary dwelling, then Purchaser shall be entitled to receive the Property at settlement or occupancy, whichever occurs first, in such condition as determined by such inspection and any negotiation and agreements relating to it. Purchaser and Selling Agent shall have the right to conduct a preoccupancy or presettlement inspection to verify that the condition of the Property conforms to this Contract and that no material damage or changes necessitating repairs have occurred to the Property after the date of this Contract or after any prior inspection of the Property provided for herein. Purchaser shall not be entitled to require Seller to correct defects discovered at a preoccupancy or presettlement inspection but existing as of the time of a prior inspection of the Property if those defects were not reported to Seller in connection with such prior inspection and Seller has not agreed to remedy such defects.

(B) If Purchaser's obligations under this Contract are not contingent on a professional home inspection of the primary dwelling, then Seller warrants that at the time of settlement or occupancy, whichever occurs first, the plumbing (including well, well pump, sump pump, d septic system, if any ) heating, air conditioning (if any), electrical systems and appliances are in safe working order, there are no structural defects and the roof is free of leaks. Purchaser and Selling Agent shall have the right to conduct a preoccupancy or presettlement inspection to verify that the condition of the Property conforms to this Contract and that no material damage or changes necessitating repairs have occurred to the Property after the date of this Contract. Seller's obligations in this regard are limited by the Remediation Limit set forth in Paragraph 17 of this Contract.

(C) Seller shall provide Purchaser, Purchaser's professional inspectors and engineer, Selling Firm and representatives of Purchaser's lenders reasonable access to the Property to conduct inspections as appropriate and in compliance with this Contract. Seller will have all utilities, systems and appliances that convey in service at the time of all inspections to be conducted pursuant to this Contract, including those provided for in any separate provisions or addendum dealing with inspections of the Property.

(D) Any repairs made shall be made by a State licensed contractor unless otherwise agreed in writing by all parties. If Seller fails to deliver the Property in the condition required by this Paragraph and Standard provisions F, or if the presettlement or preoccupancy inspection reveals material damage or changes necessitating repairs occurring after any prior inspection of the Property, and Seller refuses to make the appropriate repairs, Purchaser shall have the right to terminate this Contract and receive a refund of the Deposit in accordance with procedures defined in Paragraph 11(a) or to waive the repairs and proceed to settlement with no adjustment to the Purchase Price.

15. LEAD-BASED PAINT DISCLOSURE: All parties to this Contract acknowledge that the property was built ( ) before January 1, 1978 or (X) after January 1, 1978. For all homes built prior to January 1, 1978, a Lead-Based Paint Disclosure is hereby attached and made part of this Contract.

16. SELLER'S AND PURCHASER'S OPTIONS: In the event that the total cost of fulfilling Seller's obligations including Seller's costs in obtaining inspections and any repairs and corrections required by provisions of paragraph 14 Equipment Condition and inspection) of this Contract exceeds \$ 3,000.00 in the aggregate (the "Remediation Limit"), Seller shall have the option to (a) fulfill Seller's obligations fully at Seller's expense or (b) pay or credit the Remediation Limit to Purchaser if lender allows (or contractor of Purchaser's choice) and refuse to pay any excess over that amount. If Seller elects (b), Purchaser shall have the option to (x) accept the Property in its present condition in which case Seller shall pay the Remediation limit to Purchaser if lender allows (or contractor of Purchaser's choice) at settlement or (y) terminate this Contract and receive a refund of the Deposit. If no amount is entered in the space in this paragraph, the parties agree that the Remediation Limit shall be \$1000. The Remediation Limit applies to all of Seller's remediation obligations under this Contract, including all inspections under the Inspection Addendum.

17. DEFAULT If either Seller or Purchaser defaults under this Contract, the defaulting party, in addition to all other remedies available at law or in equity, shall be liable for the brokerage fee as if this Contract had been performed and for any damages and allow expenses incurred by the non-defaulting party, the Listing Firm and the Selling Firm in connection with this transaction and the enforcement of any provisions of this Contract, including, without limitation, reasonable attorneys' fees and costs, if any. Payment of a brokerage fee as the result of a transaction relating to the Property which occurs subsequent to a default under this Contract shall not relieve the defaulting party of liability for any other fees due in connection with this transaction. Should the Purchaser be the defaulting party, the Selling Firm shall have the right to apply all monies held in escrow toward the brokerage fee and other damages due under this Contract. Purchaser further agrees, should Purchaser be the defaulting party, in addition to standard Contract remedies and damages, to be responsible for all reasonable expenses incurred by Seller in preserving the property and attempting to resell it, including but not limited to interest paid on loans in existence on the property at the time of breach to the time of resale, loss of use of equity and the difference the net sales proceeds of this Contract and the final net sales proceeds of the resale.

18. CHOICE OF SETTLEMENT AGENT: The State's Consumer Real Estate Settlement Protection Act provides that the purchaser or borrower has the right to select the settlement agent to handle the closing of this transaction. The settlement agent's roll in closing this transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, the lender for the purchaser will instruct the settlement agent as to the signing and recording of loan documents and the disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in the State and who has been retained or engaged by a party to the transaction for the purpose of providing legal services to that party.

Variation by agreement: The provisions of the Consumer Real Estate Settlement Protection Act may not be varied by agreement, and rights conferred by this chapter may not be waived. The seller may not require the use of a particular settlement agent as a condition of the sale of the property.

Escrow, closing and settlement service guidelines: The State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, the purchaser or borrower is entitled to receive a copy of these guidelines from his settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.

19. SETTLEMENT POSSESSION: Settlement shall be made at offices of  
Darryl Zanuck, Attorney at Law

\_\_\_\_\_ on or about 09/30/2010, \_\_\_\_\_. Possession of the Property shall be given at settlement unless otherwise agreed in writing by the parties. Seller and Purchaser authorize and direct settlement agent to provide a copy of the unified settlement statement for the transaction to the Seller, Purchaser, Listing Firm and Selling Firm.

20. BROKERAGE FEE: Seller represents that he has agreed to pay a total brokerage fee as per the Listing Agreement (brokerage fee). In the event that this is a cooperative sale, the Selling Firm is to receive \$ 6,000.00 and the Listing Firm is to receive the remainder of the total brokerage fee. Seller hereby authorizes and directs the settlement agent to disburse the Listing Firm and Selling Firm from Seller's proceeds the respective portions of the fee at settlement.

21. ASSIGNABILITY: This Contract ( ) may OR ( X ) may not be assigned without the written consent of the Purchaser and Seller. If the Purchaser and the Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until settlement.

22. FACSIMILES: One or more counterparts to this contract may be signed, all of which shall be considered the same instrument. Each of the counterparts shall be an enforceable original. Signed documents and counter parts received via electronic or facsimile transmission shall be considered originals and are likewise enforceable.

23. ATTORNEY'S FEES: In any action or proceeding involving a dispute between the Purchaser, the Seller, the Listing and/or Selling Firm arising out of this Contract, or to collect the Brokerage Fee, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees to be determined by the court or arbitrator(s).

24. TITLE At Settlement, Seller shall convey the Property to the Purchaser by a General Warranty deed containing English Covenants of Tittle. Free of all encumbrances, tenancies and liens (except for taxes not yet due and payable), but subject to such restrictive covenants and easements of record which do not unreasonably impair the use of the Property for its intended purpose and render the title unmarketable.

25. EXPENSES AND PRORATIONS: Seller agrees to pay the expense of preparing the deed and owner/seller affidavit, Seller's settlement fee, certificate for non-foreign status and the recordation tax applicable to grantors. Except as other-wise agreed herein, all other expenses incurred by Purchaser in connection with this purchase shall be borne by the purchaser. All taxes, assessment, interest, rend, escrow deposits and other ownership fees, if any shall be prorated as of the date of settlement.

26. ADDITIONAL TERMS: (Use this space for additional terms not covered in this Contract).

Kirk Douglas Construction will install a new Shelton Homes, model XR520F, manufactured home unit and 2 car garage on the property prior to closing. The home will be a turn key installation that will include installation of the porch and steps, landscaping and connection to public utilities. Kirk Douglas Construction Co. Inc. will obtain building permits and provide evidence that the dwelling and garage have passed all building code inspections and have certificates of occupancy. Seller to pay up to \$1,500 of purchasers closing costs

27. MISCELLANEOUS: This Contract represents the entire agreement between Seller and Purchaser and may not be modified or changed except by written instrument executed by the parties. This Contract shall be construed, interpreted and applied according to the laws of the State and the Seller and Purchaser hereby bind themselves, their heirs, successors, assigns, executors and/or administrators for the faithful performance of the Agreement. UNLESS OTHERWISE PROVIDED HEREIN, THE REPRESENTATIONS AND WARRANTIES MADE BY SELLER HEREIN AND ALL OTHER PROVISIONS OF THIS CONTRACT SHALL BE DEEMED MERGED INTO THE DEED DELIVERED AT SETTLEMENT AND SHALL NOT SURVIVE SETTLEMENT.

All parties that have an ownership interest in the Property must sign the Contract as a Seller.

SELLER Kirk Douglas, Pres (SEAL)

DATE 08/17/2010

ADDRESS \_\_\_\_\_  
\_\_\_\_\_

PHONE \_\_\_\_\_

Home Office

Fax Cell

Email

PURCHASER Burt Lancaster (SEAL)

DATE 08/17/2010

ADDRESS \_\_\_\_\_  
\_\_\_\_\_

PHONE \_\_\_\_\_

Home Office

Fax Cell

Email

SELLER \_\_\_\_\_ (SEAL)

DATE

ADDRESS \_\_\_\_\_  
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Home Office

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PURCHASER \_\_\_\_\_ (SEAL)

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Home Office

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SELLER \_\_\_\_\_ (SEAL)

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Home Office

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PURCHASER \_\_\_\_\_ (SEAL)

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Home Office

Fax Cell

Email

## Standard Clauses Addendum

This is an addendum to the Contract dated 08/17/2010 between Kirk Douglas Construction Co. Inc. Seller,  
 and Burt Lancaster Purchaser, on the sale of 105 NE Forest Lane,  
Cascade Locks, OR 97014

**The following clauses are made a part of the Contract.**

VA Loan:

It is expressly agreed that, notwithstanding any other provision of this Contract, the Purchaser shall not incur any penalty or forfeiture of earnest money or otherwise be obligated to complete the purchase of the property described herein, if the Contract purchase price or cost exceeds the reasonable value of the property established by the Department of Veterans Affairs (VA). The Purchasers shall, however have the privilege and option of proceeding with the consummation of this Contract without regard to the amount of the reasonable value established by the VA.

*Tyrone Power* 08/17/2010  
 Selling Agent Date

*Tony Curtis* 08/17/2010  
 Listing Agent Date

*Burt Lancaster* 08/17/2010  
 Purchaser Date

*Kirk Douglas, Prse.* 08/17/2010  
 Seller Date

\_\_\_\_\_  
 Purchaser Date

\_\_\_\_\_  
 Seller Date

# Inspections Addendum

This Addendum is attached to and made a part of that contract of purchase (the Contract) dated 08/17/2010 between Kirk Douglas Construction Co. Inc. (the "Seller", whether (one or more) and Burt Lancaster (the "Purchaser", whether one or more) for the sale of that certain real property with all improvements described in the Contract as 105 NE Forest Lane, Cascade Locks, OR 97014 (the "Property") and provides as follows:

This Contract and the parties' obligations hereunder are expressly contingent upon obtaining inspection(s) of the Property in accordance with the provisions of the Addendum. Any and all inspections to be obtained by Purchaser shall be completed within 10 business days from the date of the full execution of this Contract by all parties, through licensed engineers or State licensed contractors or qualified home inspectors. All inspections to be obtained by Seller shall be completed no later than five business days prior to settlement. In the event Purchaser fails to complete the inspection(s) within the time period specified in the Addendum, Purchaser shall forfeit the right to conduct the inspection(s). In the event Seller fails to complete the inspections(s) within the time period specified in the Addendum, Purchaser shall have the right to have the inspection(s) conducted at Seller's sole expense. Purchaser agrees to repair any damage caused as a result of the actions of Purchaser or its contractors on the Property in connection with this Addendum.

**Clauses not checked are not part of the Contract.**

**A. WOOD INFESTATION INSPECTION:** This contract is subject to  Purchaser or  Seller obtaining, at their sole expense, a report dated not more than 60 days prior to the date of settlement from a pest control company licensed by the State. Concerning the presence of, or damage from termites and/or wood-destroying insects to the primary dwelling on the Property. If active infestation is found to be present, any corrective treatment shall be performed by a pest control company licensed by the State. If inspection reveals damage, any corrective action, including any necessary structural repairs, shall be performed by a state licensed contractor. Any unattached building(s) on the Property will be exempt from the terms of this Paragraph unless required by lender.

**B. Home Inspection:** This Contract is subject to the Purchaser having a home inspection for the purpose of discovering material defects. As used in this paragraph, the term "material defects" shall apply to those items that could affect the decision of a reasonable person to purchase the Property, and shall not include cosmetic items, matters of preference or grandfathered systems or features that are properly functioning that would not comply with current building codes if constructed or installed today. The fact that a structural element, system or subsystem is near, at or beyond its normal useful life is not, by itself a material defect. The home inspection and any subsequent inspections shall be at Purchaser's expense and shall be limited to the primary dwelling. Failure to complete the inspections(s) within the specified time period shall forfeit the Purchaser's right to conduct inspection(s)

**C. Well Inspection:** If the Property is served by a well, this Contract is subject to  Purchaser OR  Seller obtaining a certificate, at their sole expense, from an appropriate governmental authority or from a licensed water testing laboratory indicating that the well water is potable. Potable water for the purposes of this paragraph is defined as that which meets local health authority standards for human consumption.

**D. Septic Inspection:** If the Property is served by a well, this Contract is subject to  Purchaser OR  Seller obtaining a certificate, at their sole expense, from a professional septic inspection company stating that based on a visual inspection of the surface area above the drain field, there is no evidence of ground level seepage or the septic drain lines.



( X ) **E. RADON INSPECTION:** This Contract is subject to ( X ) Purchaser or ( ) Seller having a radon inspection, at their sole expense. The purpose of this inspection is to determine only if air quality radon levels meet EPA action level standards using an inspector certified by the National Environmental health Association (NEHA) and/or National Radon Safety Board (NRSB) at their sole choice. If Radon is found to be present at levels which exceed the action level established by the EPA and if corrective action is taken, such work shall be performed by a mitigator certified by NEHA and/or NRSB so that a test may be obtained which meets EPA standards. Seller shall pay for the verification test(s) after the remediation has been completed.

**RESULTS OF INSPECTION(S):** A copy of each inspection report shall be provided to all parties to this Contract within  5  business days from the completion of the inspection.

1. Seller shall correct all defects or perform in accordance with paragraph 16 of this Contract. All Repairs made pursuant to the provisions of this addendum will be performed by a State licensed contractor, State licensed pest control company or a certified radon mitigator unless otherwise agreed in writing by all parties.
2. If the home Inspections report reveals material defects as previously defined in Paragraph B, the Purchase shall provide the Seller within  5  business days from receiving the inspection report, a written Amendment specifying which problem the Purchaser requests Seller to correct. In the absence of any written notice from the Purchaser to Seller within said period, Purchaser will be deemed to have waived correction of the problems. Seller shall have  10  business days after receipt of written amendment to negotiate with and response (Response Time) to Purchaser in writing. Seller shall be obligated to correct or credit up to the Remediation Limit specified in Paragraph 16 of the Contract. If Seller agrees to make all repairs, provide credit for repair work to Purchaser if lender allows or direct payment to Contractor of Purchaser's choice at closing based upon written estimates or mutually agreed amount, this contingency shall be deemed satisfied. Failure by Seller to respond to Amendment specifying which problems the Purchaser requests Seller to correct within the Response Time stated above or failure of the parties to agree to the scope of repairs or credit in lieu thereof shall give Purchaser the right either to (1) terminate this contract within two (2) business days of the expiration of the Response Time, upon written notice to the Seller and thereupon, Purchaser's Deposit shall be refunded in full, in accordance with procedures defined in the Contract or accept a monetary credit if lender allows or direct payment to the Contractor of Purchaser's Choice at closing in accordance with the amount set forth in paragraph 16. **All repairs or installations made pursuant to this Paragraph shall be performed by a State licensed contractor unless agreed in writing by all parties.**

**WITNESS THE FOLLOWING DULY AUTHORIZED SIGNATURES AND SEALS:**

Burt Lancaster  08/17/2010 (SEAL)

PURCHASER

DATE

Kirk Douglas, Pres.  08/17/2010 (SEAL)

SELLER

DATE

\_\_\_\_\_(SEAL)

PURCHASER

DATE

\_\_\_\_\_(SEAL)

SELLER

DATE