

W10B2

AGENDA COVER MEMORANDUM

Agenda Date: April 30, 2003

DATE: April 15, 2003

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: Jeff Turk, Property Management Officer

SUBJECT: ORDER/IN THE MATTER OF ACCEPTING AN OFFER FOR THE PURCHASE OF SURPLUS COUNTY OWNED REAL PROPERTY COMMONLY KNOWN AS THE FLORENCE ANNEX AND AUTHORIZING THE COUNTY ADMINSTRATOR TO EXECUTE RELATED SALE DOCUMENTS (MAP # 18-12-26-32-05200, 980 QUINCE STREET, FLORENCE)

1. **PROPOSED MOTION:** THE BOARD OF COUNTY COMMISSIONERS MOVES TO ACCEPT AN OFFER FOR THE PURCHASE OF SURPLUS COUNTY OWNED REAL PROPERTY COMMONLY KNOWN AS THE FLORENCE ANNEX AND AUTHORIZES THE COUNTY ADMINSTRATOR TO EXECUTE RELATED SALE DOCUMENTS (MAP # 18-12-26-32-05200, 980 QUINCE STREET, FLORENCE)

2. **ISSUE/PROBLEM:** Two offers have been received for the Florence Annex property. One offer is from Carl Duwell and Thomas Douglas. The offer is for \$480,000 and is subject to the buyers obtaining bank financing and 20 day due diligence period to inspect the property.

The second offer is from Florence Coastal Hardware, Inc. (Steve Lemhouse, principal). The offer is for \$350,000 cash and is contingent only upon buyers examination and satisfaction of a conveyance to ODOT in 1985 of a portion of the property within the Hwy. 126 right of way.

3. **DISCUSSION:**

3.1 Background

The Board has chosen to dispose of the Florence Annex as it is no longer viable to be used for county purposes. The property was offered at a Sheriff's sale on December 9, 2003 with a minimum bid of \$725,000. No bids were received.

Subsequent to the sale, Management Services through a proposal process, secured the services of Dale Saari, a Florence area realtor, to provide professional services to market the property (Mr. Saari will receive 6% of the sale price as his fee). After reviewing previous appraisals done on the property and discussions with Mr. Saari, the Annex was listed with an asking price of \$480,000.

On April 1, Mr. Saari received a full price offer from Mr. Duwell and Mr. Douglas (the offer was submitted by their real estate agent). The offer is contingent upon the buyers securing bank financing and a 20 day due diligence period in which to inspect and approve the property. The buyers will finance 80% of the purchase price and will apply for the loan within 5 days of the county's acceptance. The buyers offer expires May 1. The buyers will close the transaction as soon as the loan is secured and other documents are in order.

On April 8, Mr. Saari received an offer from Florence Coastal Hardware for \$350,000. The offer is for cash and not subject to the buyer obtaining a loan. The buyer is ready to close the transaction as soon as closing documents can be prepared and the buyer reviews and approves a conveyance from the county to ODOT in 1985 of a portion of the property within Hwy. 126.

Both parties will deposit \$5,000 as earnest money upon acceptance by the county.

The Florence Annex property was purchased for \$10 in August, 1959 (the sale was subject to a life estate for the grantor for a portion of the property). Revenues from the sale of the property would be deposited in the county's General Fund.

The county built a portion of the current building in 1968 and added the portion now housing the health clinic in the early seventies. The building has approximately 12,000 sq. ft. The land is 1.95 acres.

Up until 1998 occupants of the building included the Florence Justice Court, the sheriff, the sanitarian for the Florence area, the State Police and the health clinic. Land Management also sent a staff person to the building once a week. Various non-profit and community groups also made use of the building for meetings. Currently, only the health clinic and the sanitarian remain. Legal Aid of Lane County also uses an office in the building once a month.

The building was not of quality construction when it was first built. There is much deferred maintenance and the functionality of the building does not meet modern standards. An appraisal of the property done by Ric Duncan of Duncan & Brown did not attribute any value to the building citing the reasons above and that the cost to cure deficiencies was not economically feasible.

3.2 Analysis

Mr. Duwell's and Mr. Douglas' offer is for the full asking price, however it is contingent upon their ability to secure financing and approval of inspections of the property. Obtaining financing will require an appraisal of the building (at the buyer's expense). Should the appraisal not support the purchase price – which is a reasonable possibility – the bank will not make the loan for the amount being offered. Should this occur, the buyers are not obligated to purchase the property for their initial offering price and can withdraw their offer. They can submit another offer but the county is not obligated to accept it. The appraisal/loan process should take 4 – 6 weeks from the time the county accepts their offer.

Mr. Duwell and Mr. Douglas have also made the purchase contingent upon a 20 day due diligence period to investigate the property. Essentially, this would allow them to withdraw their offer anytime during that 20 day period.

Florence Coastal Hardware's offer is contingent only upon inspection and approval of a conveyance to ODOT by the county of a portion of the property in 1985. The conveyance was by quitclaim deed and was a strip of the property which may have been in the right of way of Hwy. 126. County staff does not anticipate that this contingency will be problematic. The buyer has the cash to close the transaction when closing documents are ready. This can occur within 2-3 weeks of the county's acceptance.

The health clinic is scheduled to close July 1 due to budget considerations. If the Board chooses to accept either of the offers, it should do so with the contingency that the clinic is able to remain until it closes.

Prior to offering the parcel at the December 9, 2002 Sheriff's sale, the Board approved conveying the Florence Annex with a Bargain and Sale deed as opposed to the usual conveyance with a Quitclaim deed for county property. Use of a Bargain and Sale to convey the Annex should be continued as it increases the marketability of the property.

As the subject parcel has been through a Sheriff's sale and did not sell, it is eligible for private sale without further notice pursuant to ORS 275.200 provided that the sale price is not less than 15% of the minimum bid for which the parcel was offered at the Sheriff's sale. The proposed sale fulfills the requirements of ORS 275.200.

3.3 Alternatives/Options

- a. Accept Mr. Douglas' and Mr. Duwell's offer of \$480,000 subject to the noted conditions and with a contingency to allow the health clinic to remain until July 1, 2003.
- b. Accept Florence Coastal Hardware's offer of \$350,000.

- c. Offer to have the county finance Mr. Douglas' and Mr. Duwell's purchase. As an example, with a 20% down payment and the balance financed over 10 years at 8%, the county would receive \$67,000 at closing (\$96,000 less \$28,800 broker fee) and annual payments of \$55,900.
- d. Reject both offers and direct staff to make counter offers acceptable to the Board.

3.4 Recommendation

It is recommended that Mr. Duwell's and Mr. Douglas' offer of \$480,000 be accepted (option a.) It is also recommended the county administrator be authorized to execute related sale and closing documents which will include signing the sale agreement accepting the offer and that the Board Order provide for the Board to execute a Bargain and Sale deed to expedite closing the transaction should the buyers proceed with the purchase.

3.5 Timing

The buyers purchase offer expires May 1.

- 4. **IMPLEMENTATION/FOLLOW-UP:** Upon approval by the Board of County Commissioners, the county administrator will execute documents accepting the buyer's offer on behalf of the county.
- 5. **ATTACHMENTS:**
 - Board Order
 - Offer from Mr. Duwell and Mr. Douglas
 - Plat Map

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.

IN THE MATTER OF ACCEPTING AN OFFER FOR THE PURCHASE OF SURPLUS COUNTY OWNED REAL PROPERTY COMMONLY KNOWN AS THE FLORENCE ANNEX AND AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE RELATED SALE DOCUMENTS (MAP # 18-12-26-32-05200, 980 QUINCE STREET, FLORENCE)

WHEREAS this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to convey the following real property which was acquired through purchase by the county's general fund, to wit:

All of Block 47 of Gallagher's Part of the City of Florence, as platted and Recorded at Page 12 of Volume 30, Lane County Oregon Deed Records, Lane County Oregon INCLUDING that portion of the vacated streets and alleys that would enure thereto as vacated by Ordinance No. 366, recorded December 21, 1960, Reel No. 164D, Reception No. 18801, Lane County Oregon Deed Records.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded on Reel No. 1362R, Reception No. 85-28276 and Reception No. 2001-022235 recorded on April 18, 2001 Lane County Oregon Deed Records

WHEREAS said real property is owned by Lane County and not in use for County purposes, and sale of said property would benefit Lane County by its return to the tax roll, and

WHEREAS said parcel was offered at a Sheriff's sale on December 9, 2002 with a minimum bid of \$725,000 and

WHEREAS no bids were received for said parcel and it remained unsold at the close of said sale and

WHEREAS an offer to purchase the property for \$480,000 at private sale has been submitted to the county

IT IS HEREBY ORDERED that pursuant to ORS 275.200 and ORS 275.275, the attached offer of \$480,000 submitted by Carl Duwell and Thomas Douglas for property identified as map No. 18-12-26-32-05200 be accepted contingent upon the buyers allowing the county to continue to occupy the Florence Annex through June 30, 2003 and that the County Administrator is authorized to execute a sale agreement with the buyers and other sale related documents including closing documents

IT IS FURTHER ORDERED that the Board shall execute a Bargain and Sale deed conveying the property to the buyers if a sale is consummated and that the proceeds be disbursed to the county's General Fund less the commission paid to the county's contracted real estate agent

IT IS FURTHER ORDERED, that this Order shall be entered into the records of the Board of Commissioners of the County.

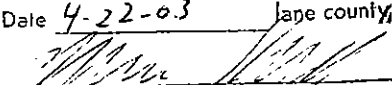
DATED this ____ day of _____, 20____.

Peter Sorensen, Chair, Board of County Commissioners

IN THE MATTER OF ACCEPTING AN OFFER FOR THE PURCHASE OF SURPLUS COUNTY OWNED REAL PROPERTY COMMONLY KNOWN AS THE FLORENCE ANNEX AND AUTHORIZING THE COUNTY ADMINSTRATOR TO EXECUTE RELATED SALE DOCUMENTS (MAP # 18-12-26-32-05200, 980 QUINCE STREET, FLORENCE)

APPROVED AS TO FORM

Date 4-22-03 large county



OFFICE OF LEGAL COUNSEL



FINAL AGENCY ACKNOWLEDGMENT

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

- (1) IONY WELLS (Name of Selling Licensee) of PRUDENTIAL REALTY, INC. (Name of Real Estate Firm) is the agent of (check one): ☒ The Buyer exclusively. ☐ The Seller exclusively ("Seller Agency"). ☐ Both the Buyer and the Seller ("Disclosed Limited Agency").
- (2) DALE SAAN (Name of Listing Licensee) of WINDERMERE JEAN TATE (Name of Real Estate Firm) is the agent of (check one): ☒ The Seller exclusively. ☐ Both the Buyer and the Seller ("Disclosed Limited Agency").

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

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

Buyer [Signature] Print CARLEEN DUNNELL Date 3-31-03
 Buyer [Signature] Print THOMAS DOUGLAS Date 3/31/03
 Seller _____ Print _____ Date _____
 Seller _____ Print _____ Date _____

REAL ESTATE SALE AGREEMENT

Upon signature by Seller and Buyer, this Agreement is a legal and binding contract.
 If not understood, seek competent legal advice before signing.

1. **DEFINITIONS:** All references in this Agreement to "licensee" and "firm" shall refer to Seller's and Buyer's real estate agents licensed in the State of Oregon and the respective real estate companies with which they are affiliated.

2. **PRICE/PROPERTY DESCRIPTION:** Buyer (print name(s)) DUNNELL/DOUGLAS ET AL
 offers to purchase from Seller (print name(s)) LANE COUNTY
 the following described real property (hereinafter "the Property") situated in the State of Oregon, County of LANE, and commonly known or identified as (Insert street address, city, zip code, tax identification number, and/or lot-block description, etc.)
980 QUINCE ST. FLORENCE, OR. LOCAL: 18-12-26-32-5200
 (Seller and Buyer agree that if it is not provided herein, a complete legal description as provided by the title insurance company in accordance with Section 4, below, shall, where necessary, be used for purposes of legal identification and conveyance of title)

for the purchase price (in U.S. currency) of \$ 480,000
 on the following terms: Earnest money herein recelpted for..... B \$ 5,000
 on as additional earnest money, the sum of..... C \$ 0
 at or before closing, the balance of down payment..... D \$ 475,000
 at closing and upon delivery of DEED OR CONTRACT the sum of (Lines B, C, D and E must equal Line A)..... E \$ 0
 Payable as follows: CASH AT CLOSE SUBJECT TO FINANCING w/ APPROX 20% DOWN PMT. WITH A LOCAL LENDER.

For additional details, see Addendum

3. **BUYER REPRESENTATION:** As of the date of signing this Agreement, Buyer has sufficient funds available to close this transaction in accordance with the terms proposed herein, and is not relying on any contingent source of funds (e.g. from loans, gifts, sale or closing of property, 401K disbursements, etc.), unless otherwise disclosed in this Agreement.

IF A NEW LOAN IS REQUIRED, THIS TRANSACTION IS SUBJECT TO BUYER AND PROPERTY QUALIFYING FOR THE LOAN. Buyer agrees to make written loan application not later than 5 business days from date this Agreement is signed by Seller and Buyer, complete necessary papers, and exert best efforts, including payment of all application, appraisal and processing fees, in order to procure the loan. If Property is located in a designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan.

4. **TITLE INSURANCE:** Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report and the recorded covenants, conditions and restrictions ("the report and CC&Rs") showing the condition of title to the Property. Upon execution of this Agreement by all parties, Seller will, at Seller's sole expense, promptly order the report and CC&Rs from an Oregon title insurance company and furnish them to Buyer. Upon receipt of the report and CC&Rs, 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 CC&Rs which is/are unacceptable to Buyer ("the objections"). Buyer's failure to timely object, in writing, to any matters disclosed in the report and/or CC&Rs shall constitute acceptance of the report and/or CC&Rs. If, within _____ business days (five (5) if not filled in) following receipt of the objections, Seller fails to remove or correct the matters identified in the objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected prior to the closing date, all earnest money shall be promptly refunded to Buyer and this transaction shall be of no further binding effect between Seller and Buyer. Within

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Sale Agreement #	1078174
Buyer Initials	[Signature]
Seller Initials	[Signature]
Date	3-31-03

thirty (30) days after closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title in the Property to Buyer in the amount of the purchase price, free and clear of the objections and all other title exceptions agreed to be removed as part of this transaction.

5. ADDITIONAL PROVISIONS:

For additional provisions, see Addendum

A

6. DEED: Unless otherwise herein provided, marketable title to the Property is to be conveyed by statutory warranty deed (or good and sufficient personal representative or trustee's deed, where applicable) free and clear of all liens and encumbrances of record, except property taxes, which are a lien but not yet payable, zoning ordinances, building and use restrictions, reservations in Federal patents, easements of record which affect the Property or area in which the Property is located, private covenants, conditions and restrictions of record for the development of which the Property is a part, and NONE

7. FIXTURES: All fixtures 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; installed garage door opener(s) with remote control(s); window blinds; awnings; fences; all planted shrubs, plants and trees; EXCEPT: SEALER TO provide list

8. PERSONAL PROPERTY: The following personal property, in "AS-IS" condition and at no stated value is included: SEALER TO provide an inventory of personal property to be taken w/30 DAYS OF ACCEPTANCE

9. ALARM SYSTEM: ☐ NONE ☐ OWNED ☐ LEASED. If leased, Buyer ☐ will ☐ will not assume the lease at closing. Approximate monthly lease payment is \$ _____

10. SELLER REPRESENTATIONS:

(1) The above dwelling is connected to (check all that apply): ☒ a public sewer system; ☐ an on-site sewage system; ☒ a public water system; ☐ a private well. (2) At the earlier of possession or closing date, the dwelling will have one or more operating smoke alarms or smoke detectors as required by law. (3) Seller has no knowledge of any hazardous substances on the Property other than substances (if any) contained in appliances and equipment. (4) Seller knows of no material structural defects. (5) All electrical wiring, heating, cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the yard, will be in substantially its present condition at the time Buyer is entitled to possession. (6) Except as disclosed in writing Seller has no notice of any liens to be assessed against the Property. (7) Seller has no notice from any governmental agency of any violation of law relating to the Property. (8) If specially assessed, Seller represents that the property is current as to income or other conditions required to preserve its deferred tax status. (9) Seller agrees to promptly notify Buyer if, prior to closing, Seller receives actual notice of any event or condition which could result in making any previously disclosed material information relating to the Property substantially misleading or incorrect. These representations are based upon Seller's actual knowledge. Seller has made no investigations. Exceptions to items (1) through (9) are: TO be disclosed by seller & approved by Buyer

Buyer recognizes that asbestos commonly exists in insulation, ceilings, floor coverings and other areas in residential properties. Seller makes no representations regarding the presence or condition of asbestos.

11. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property Disclosure, if any, Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent.

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

NOTE: Fill in preprinted number from Page 1

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REAL ESTATE SALE AGREEMENT - Page 2 of 6

NOTE: Fill in preprinted number from Page 1

Sale Agreement #	1078174
Buyer Initials	[Signature]
Seller Initials	[Signature]
Date	3/3/03

13. **INSPECTIONS:** Buyer understands that a complete professional inspection of the Property is advisable. (check one)

☒ **PROFESSIONAL INSPECTIONS:** At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which may include testing or removal of any portion of the Property. Buyer understands that Buyer is responsible for the restoration of the Property to its original condition for any inspection(s)/test(s) performed by the Buyer or on Buyer's behalf. Buyer shall have 20 business days (ten (10) if not filled in), after the date Seller and Buyer have signed this Agreement, (hereinafter "the Inspection Period") in which to negotiate with Seller regarding any matters disclosed in any inspection report. However, during the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer. Unless a written and signed modification is reached, at any time during the Inspection Period, Buyer may notify Seller or Listing Licensee, in writing, of Buyer's 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 of no further binding effect. Buyer shall promptly provide a copy of all reports to Seller if requested by Seller. If Buyer fails to provide Seller or Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day of the Inspection Period, Buyer shall be deemed to have accepted the condition of the Property.

☐ **SEE ATTACHED ADDENDUM REGARDING PROFESSIONAL INSPECTIONS.**

☐ **BUYER'S INSPECTION:** Buyer has personally inspected the Property and all elements and systems thereof. Buyer is fully satisfied and has elected NOT to have any professional inspections performed.

14. **LEAD-BASED PAINT INSPECTION:** If the Property was constructed before 1978, a Lead-Based Paint Disclosure Addendum (hereinafter "the Disclosure Addendum") shall be signed by Seller, Buyer and Listing and Selling Licensees, and made a part of this Sale Agreement. After reading the section below, Buyer should check the accompanying box if Buyer intends to conduct a risk assessment or inspection.

☐ Buyer shall have _____ calendar days (ten (10) if not filled in), hereinafter referred to as "the Lead-Based Paint Inspection Period," within which to conduct said assessment or inspection. The Lead-Based Paint Inspection Period shall commence when Buyer signs the Disclosure Addendum. During the Lead-Based Paint Inspection Period, Buyer shall not become obligated under this Sale Agreement. Buyer may, in writing, unconditionally cancel this transaction during the Lead-Based Paint Inspection Period and receive a prompt return of all earnest money deposits. Buyer understands that the failure to give timely written notice of cancellation shall constitute acceptance of the condition of the Property as it relates to the presence of lead-based paint or lead-based paint hazards.

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

16. **CLOSING: TIME IS OF THE ESSENCE.** Closing shall occur on or before 5/20/03, or as soon thereafter as financing documents can be prepared and marketable title delivered, but not to exceed 10 business days (zero (0) if not filled in). This extension is not available if financing documents are prepared and marketable title can be delivered on or before the specified closing date. The terms "closed", "closing" or "closing date" shall mean when the deed or contract is recorded and funds are available to Seller. Seller and Buyer acknowledge that for closing to occur by the date specified, it may be necessary to execute documents and deposit funds in Escrow prior to that date.

17. **POSSESSION:** Seller shall remove all personal property not sold to Buyer and deliver possession of the Property to Buyer (check one): ☒ by 5:00 p.m. on the closing date; ☐ by _____ a.m./p.m. _____ days after the closing date; ☐ by _____ a.m./p.m. on the _____ day of _____. If a tenant is currently in possession of the Property (check one): ☐ Buyer will accept tenant at the time of closing; ☐ Seller shall have full responsibility for removal of tenant prior to closing date.

18. **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 only) ☒ the closing date; ☐ date Buyer is entitled to possession; or ☐ _____.

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

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

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

22. **ESCROW DEPOSIT:** Escrow is hereby instructed by Seller, Buyer, Selling Firm and the Listing Firm (if any) as follows: (1) Upon your receipt of a copy of this Agreement marked "rejected" by Seller or of Selling 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 Seller, Buyer, Selling Firm and the Listing Firm (if any), 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

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Buyer Initials	TMJ
Seller Initials	TMJ
Date	3-31-03

whether or not there is then a dispute between Seller and Buyer), you are to hold all earnest money deposits until you receive written instructions from Seller, Buyer, Selling Firm and the Listing Firm (if any) as to disposition of such deposits.

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

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

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

26. APPROVED USES: THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES. IF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505, ORS 358.515 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.

27. IRC 1031 EXCHANGE: ☐ Buyer ☐ Seller hereby acknowledges that it is the intention of Buyer/Seller to complete an IRC 1031 exchange which will not delay the close of escrow or cause additional expense to the other party. Buyer/Seller agrees to cooperate with the other party and the accommodator, if any, in a manner necessary to complete the exchange.

28. LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one) ☒ is ☐ is not specially assessed for property taxes (e.g. farm, forest or other) in a way which may result in levy of additional taxes in the future. If, as a result of Buyer's actions or the closing of this transaction, the Property either is disqualified from special use assessment or loses its deferred property tax status, unless otherwise specifically provided in this Agreement, Buyer shall be responsible for and shall pay when due, any deferred and/or additional taxes and interest which may be levied against the Property and shall hold Seller completely harmless therefrom. However, if as a result of the Seller's actions prior to closing, the Property either is disqualified from its entitlement to special use assessment or loses its deferred property tax status, Seller shall be responsible for and shall pay at or before closing all deferred and/or additional taxes and interest which may be levied against the Property and shall hold Buyer completely harmless therefrom.

29. ADDITIONAL LAND SALE CONTRACT/TRUST DEED/MORTGAGE PROVISIONS: If this transaction is to include a land sale contract, trust deed or mortgage to be carried back by Seller, Buyer and Seller shall agree upon the terms and conditions of such document not later than _____ business days (ten (10) if not filled in) from the date this Agreement is signed by Seller and Buyer. Upon failure to reach such agreement, this transaction shall be of no further binding effect, and all earnest money shall be promptly refunded to Buyer.

30. DISPUTE RESOLUTION: Seller and Buyer, including the licensees and firms representing each, if any, agree that all claims, controversies and disputes, including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in accordance with the procedures set forth herein, which shall expressly survive closing or earlier termination of this Agreement. Provided, however, the following matters shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract or recorded construction lien; (2) a forcible entry and detainer action; or (3) any dispute between REALTORS® which is subject to the Professional Standards Arbitration provisions of the National Association of REALTORS®. The filing of a notice of pending action ("lis pendens") or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the procedures specified herein.

31. SMALL CLAIMS: Notwithstanding the following provisions, Seller, Buyer, licensees and firms if any, mutually agree that all Claims within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other court of law.

NOTE: Fill in preprinted number from Page 1

NOTE: Fill in preprinted number from Page 1

Buyer Initials: *[Signature]* Date: *3/31/03*

Seller Initials: *[Signature]* Date: *3/31/03*

32. MEDIATION: If Seller or Buyer were represented in this transaction by a licensee whose principal broker is a member of the National Association of REALTORS®, all Claims shall be submitted to mediation in accordance with the procedures of the Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation program (collectively "The System"). Provided, however, if the licensee's principal broker is not a member of the National Association of REALTORS®, or the System is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation pursuant to: (1) the special mediation program administered by Arbitration Service of Portland for the mediation of Claims in those geographic areas where the System is not available through the principal broker's Association of REALTORS®, or (2) any other impartial private mediator(s) or program(s) providing such service in the county where the Property is located, as selected by the party first filing for mediation.

33. ARBITRATION: All Claims that have not been resolved by mediation, or otherwise, shall be submitted to final and binding private arbitration in accordance with Oregon Laws. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Seller, Buyer and/or their licensees or the firms with which the licensees are associated, may file Claims with Arbitration Service of Portland or, alternatively, may use any other professional arbitrator(s) or companies which similarly provide such service in the county where the Property is located, as selected by the party first filing for arbitration. BY CONSENTING TO THIS PROVISION YOU ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR MORE NEUTRAL ARBITRATORS AND YOU ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

34. ATTORNEY FEES: The prevailing party in any suit, action or arbitration (excluding those Claims filed in Small Claims Court) shall be entitled to recovery of all reasonable attorney fees and costs (including all filing and mediator fees paid in mediation) pursuant to ORCP 68. Provided, however, if a mediation service was available to the parties when the Claim arose, the prevailing party shall not be entitled to any award of attorney fees unless it is established to the satisfaction of the arbitrator(s) or judge that the prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing in arbitration or court.

35. RECEIPT FOR EARNEST MONEY: The undersigned Selling Firm acknowledges receipt of earnest money (which Selling Firm agrees to handle as provided below) from Buyer in the sum of \$ 5000 evidenced by (check one) ☐ CASH ☐ CHECK ☒ PROMISSORY NOTE payable on or before 2 DAYS From Acpt. ☐ Other _____

36. EARNEST MONEY INSTRUCTIONS: Buyer instructs the undersigned Selling Firm to handle the earnest money as follows (check all that apply):
☒ Hold any earnest money that is in the form of a check undeposited pending mutual acceptance of this Agreement and all agreed-upon counter offers, after which time deposit it as provided herein within three (3) banking days to Deposit it in the Selling Firm's client trust account, and thereafter/or ☒ Deposit with Escrow. ☒ Deposit any earnest money funds redeemed under a promissory note with prudential pacific prop.

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

Selling Firm prudential pacific prop. Selling Licensee Signature Tony Wells
 Main Office Address P.O. Box 276 Phone 997-6000 FAX 997-1257
 Branch Office Address Florence OR Phone _____ FAX _____

37. PROPERTY DISCLOSURE/DISCLAIMER LAW: Buyer acknowledges that unless otherwise exempted, Buyer has a right to revoke Buyer's offer within five (5) business days after delivery of Seller's property disclosure form, or within seven (7) business days after delivery of Seller's written disclaimer, or at any time before closing, as defined in the Oregon Administrative Rules, if Buyer does not receive either a disclosure form or disclaimer from Seller. Buyer may waive the right of revocation if done so in writing. If this transaction is exempted from the property disclosure/disclaimer law, Seller and Buyer are encouraged to sign a written acknowledgment identifying the specific exemption.

Seller authorizes the Listing Firm to receive Buyer's notice of revocation, if any, on Seller's behalf.

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

39. AGREEMENT TO PURCHASE: BUYER acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and understands. Buyer acknowledges that Buyer has not received or relied upon any oral or written statements, made by Seller or any real estate licensee, which are not expressly contained in this Agreement. Neither Seller nor any licensees warrant the square footage of any structure or the size of any land being purchased. If square footage or land size is a material consideration, all structures and land should be measured by Buyer prior to signing, or should be made an express contingency in this Agreement.

Deed or contract shall be prepared in the name of To be determined in Escrow
 This offer shall automatically expire on (insert date) 4/4/03 at 5 a.m./p.m. "the deadline", if not accepted within that time.

NOTE: Fill in preprinted number from Page 1

Sale Agreement #	<u>1078174</u>
Buyer Initials	<u>[Signature]</u>
Seller Initials	<u>[Signature]</u>
Date	<u>3/31/03</u>

Buyer may withdraw this offer any time prior to Seller's acceptance before the deadline. If Seller accepts this offer after the deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within _____ business days (two (2) if not filled in) by so indicating at Section 42 below. This offer may be accepted by Seller only in writing.

Buyer Gilda D. Dwyer Date 3-31-03 a.m. 10 p.m. ←
 Buyer Thomas Dwyer Date 3/31/03 a.m. 10 p.m. ←
 Address P.O. Box 358 FLORENCE OR Zip 97439
 Phone Home _____ Work _____ Work _____ Fax _____

ANY MODIFICATION BY SELLER OR SELLER'S AGENT ABOVE BUYER'S SIGNATURE SHOULD BE ON A SEPARATE DOCUMENT

This offer was submitted to Seller for signature on the _____ day of _____, at _____ a.m. _____ p.m.
 By _____ (licensee presenting offer).

40. AGREEMENT TO SELL/PAY COMMISSION: Seller accepts this offer. At the time of closing, Seller agrees to pay in U.S. dollars to the Selling Firm or, if this is a co-op transaction, to the Listing Firm, the sum of \$ _____ for professional real estate services rendered in this transaction. Seller authorizes Listing Firm to order a preliminary title report and title insurance at Seller's expense and further authorizes Escrow to pay out of the cash proceeds of sale the expenses of furnishing title insurance, Seller's recording fees, Seller's closing costs and any encumbrances on the Property payable by Seller on or before closing. Seller is a U.S. citizen unless otherwise stated herein. Seller acknowledges receipt of a completely filled in copy of this Agreement, which Seller has fully read and understands. Seller acknowledges that Seller has not received or relied upon any oral or written statements of Buyer or any real estate licensee(s) which are not expressly contained in this Agreement. In the event Buyer fails to complete this transaction as provided herein, all earnest money shall be distributed as follows after deduction of any title insurance and escrow cancellation charges: (check one) ☐ First to the Listing Firm to the extent of the agreed commission just as if the transaction had been closed, with residue to Seller, ☐ or _____

Seller print full name(s): _____
 Seller _____ Date _____ a.m. _____ p.m. ←
 Seller _____ Date _____ a.m. _____ p.m. ←
 Address _____ Zip _____
 Phone Home _____ Work _____ Work _____ Fax _____

41. REJECTION/COUNTER OFFER:

SELECT ONE: ☐ Seller does not accept the above offer, but makes the attached counter offer; ☐ Seller rejects Buyer's offer without a counter offer.

Seller print full name(s): _____
 Seller _____ Date _____ a.m. _____ p.m. ←
 Seller _____ Date _____ a.m. _____ p.m. ←
 Address _____ Zip _____
 Phone Home _____ Work _____ Work _____ Fax _____

42. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response is an acceptance of Buyer's offer that occurred after the deadline identified at Section 39 above, Buyer (select only one) ☐ agrees ☐ does not agree, to be bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the deadline.)

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

43. CO-OP TRANSACTION:

Selling Firm _____ Selling Licensee _____
 Listing Firm _____ Listing Licensee _____
 Selling Firm to receive: (select one) _____ % of purchase price or \$ _____
 Listing Firm Main Office Address _____ Phone _____ Fax _____
 Listing Firm Branch Office Address _____ Phone _____ Fax _____
 Listing Firm Broker Initials/Date _____ / _____ Selling Firm Broker Initials/Date MDR 4-10-03

Lines with this symbol ← require a signature of buyer and/or seller and date

NOTE: Fill in preprinted number from Page 1

Buyer Initials GDD Date 3/31/03
 Seller Initials MDR Date 3/31/03

Earnest Money NoteDate: 3/31/03Seller: LANE COUNTYPurchaser: Nickell/DouglasProperty Address: 980 QUINCE ST.
Florence OR.

I/we jointly and severally promise to pay to the order of The Prudential Pacific Properties, at 1875 Hwy 101, Florence, Oregon 97439, the sum of \$ 5,000⁰⁰

 days after date2 days after sellers acceptance of this offer on or before , 19

If this note is placed in the hands of an attorney for collection I/we promise and agree to pay the reasonable attorney's fees and collection costs of the holder hereof; and if a suit or an action is filed hereon also promise to pay (1) holder's reasonable attorney's fees to be fixed by the trial court and (2) if any appeal is taken from any decision of the trial court, such further sum may be fixed by the appellate court, as the holder's reasonable attorney's fees in the appellate court.

[Handwritten signatures]

Date: 3-31-03Date: 3/31/03



ADDENDUM TO REAL ESTATE SALE AGREEMENT

The Oregon Real Estate Agency has reviewed this form for compliance with the applicable provisions in ORS.896 and finds that it complies with those provisions.

This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer

Re: Real Estate Sale Agreement No. 1078174 Dated 3/31/03 Addendum No. A

Buyer: Duwell/Douglas

Seller: LANE COUNTY

The real property described as: 980 QUINCE ST.
FLORENCE, OR 97439

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

* Buyers Acknowledge there could be the existence OF ASBESTOS in the FLOOR TILES.

* OFFER SUBJECT TO Buyer/seller negotiating A LEASEBACK OF the approx. 3000 sq. ft. currently occupied By the LANE COUNTY Health Dept. within 30 DAYS of Sellers Acceptance.

Buyer Signature <u>[Signature]</u>	Date <u>3-31-03</u>	A.M. <u>6</u> P.M. <u></u>
Buyer Signature <u>[Signature]</u>	Date <u>3/31/03</u>	A.M. <u>6</u> P.M. <u></u>
Seller Signature <u></u>	Date <u></u>	A.M. <u></u> P.M. <u></u>
Seller Signature <u></u>	Date <u></u>	A.M. <u></u> P.M. <u></u>

Listing Licensee
Listing Firm Broker Initials/Date I

Selling Licensee TONY GRIFFS
Selling Firm Broker Initials/Date mac 4/1/03

04/04/2003 17:20

5415473545

SEA LION CAVES INC

PAGE 01

p.2

Apr 04 09 01:45p



ADDENDUM TO REAL ESTATE SALE AGREEMENT

The Oregon Real Estate Agency has reviewed this form for compliance with the applicable provisions in ORS 92.000 and finds that it complies with those provisions.

This is an Addendum to: ☒ Real Estate Sale Agreement ☐ Seller's Counter Offer ☐ Buyer's Counter Offer

Re: Real Estate Sale Agreement No. 1078174 Date 3/31/03 Addendum No. (8)

Buyer: DUNNELL / DUNSTON

Seller: LOUIS COUNTY

The real property described as: 980 QUINCE ST.
FORECASTER, OR. 97109

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

* BUYERS HEREBY EXTEND THE OFFER
EXPIRATION DATE TO: 5/1/03

* BUYERS HEREBY REMOVE THE "LOANBACK"
CONTINGENCY AS OUTLINED IN ADDENDUM (A)

* BUYERS ACKNOWLEDGE THE PROPERTY IS TO
BE TRANSFERRED BY A BARGAIN & SALE
DEED.

* ALL OTHER TERMS & CONDITIONS OF THE
ORIGINAL OFFER/ADDENDUM NOT HEREIN
ATTACHED OR CHANGED TO REMAIN THE SAME.

Buyer Signature

Buyer Signature

Seller Signature

Seller Signature

Listing Licensee

Listing Firm Broker Initials/Date

Date

Date

Date

Date

Selling Licensee

Selling Firm Broker Initials/Date

A.M. P.M.

A.M. 3:45 P.M.

A.M. P.M.

A.M. P.M.

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OREF 642 1997

ADDENDUM TO REAL ESTATE SALE AGREEMENT

Addendum Page 01 of 01 Pages

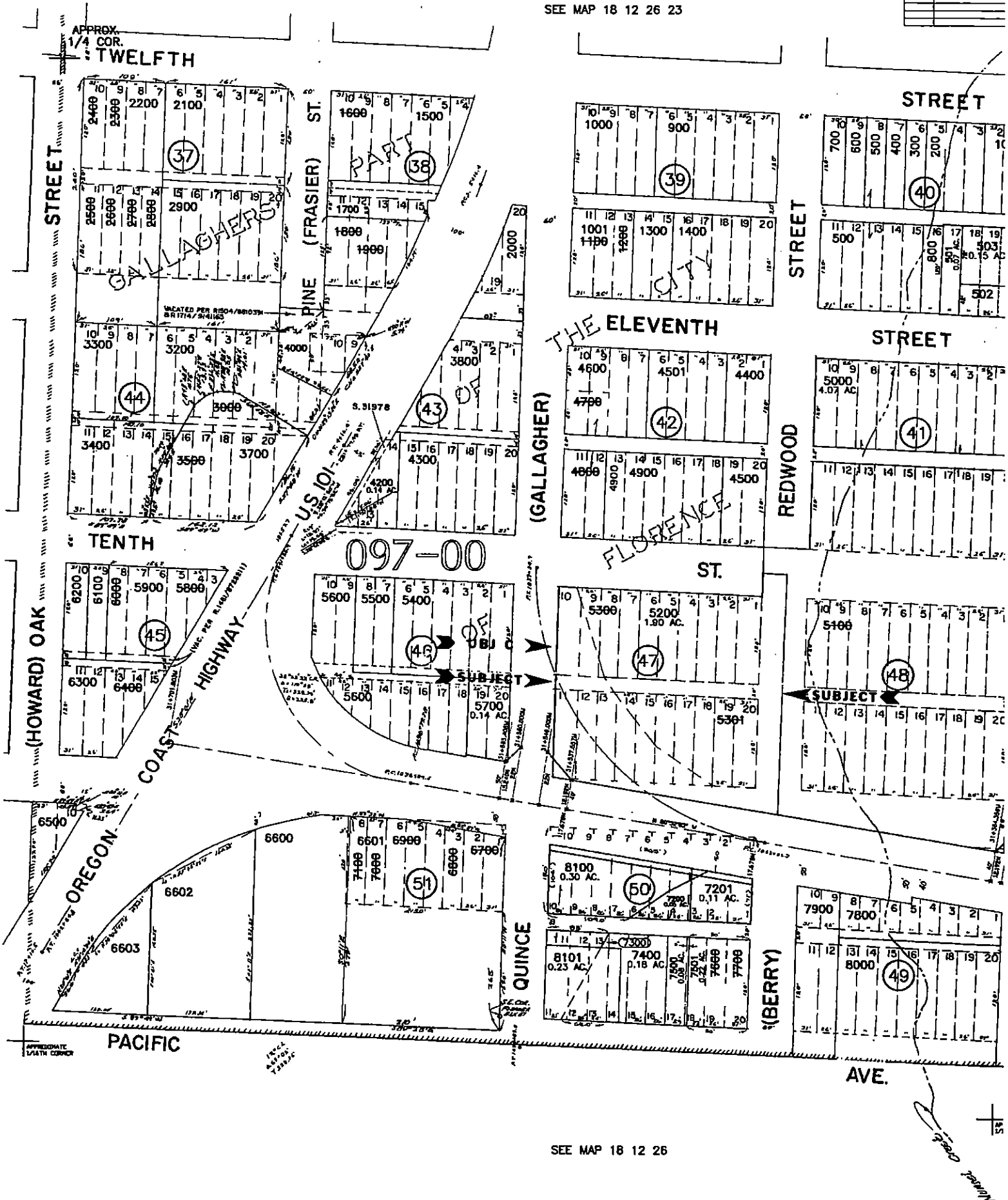
FOR ASSESSMENT
AND TAXATION
ONLY

NW1/4 SW1/4 SEC. 26 T.18S. R.12W. W.M.
LANE COUNTY

SCALE 1" = 100"

SEE MAP 18 12 26 23

DATE	REVIEWED
10/13/02	PTR. 501 BY 10 303
10/2/02	PTR. 500L, 500S, 570L



SEE MAP 18 12 26