

# BID FORM AND INTERIM SALES AGREEMENT

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| FILE NUMBER<br><b>6003089</b>                     |
| DISTRICT NUMBER<br><b>3</b>                       |
| COUNTY NUMBER<br><b>24</b>                        |
| AREA (SQ.FT./ACRES)<br>Parcel: 6,098 - Home-2,588 |

DIRECT SALE     PUBLIC AUCTION    **Oct. 15, 2011 - Nov. 15, 2011**

| <b>MINIMUM ACCEPTABLE BID</b> | <b>AMOUNT OF BID</b> |
|-------------------------------|----------------------|
| \$297,000                     | \$ _____             |
| LESS DEPOSIT                  | \$ _____             |
| TOTAL BALANCE DUE             | \$ _____             |

**CONDITIONS OF SALE:**

- Special assessments, existing restrictions, codes, covenants, reservations and easements, if any.
- Subject to the rights of any utilities located within said property and further subject to the rights of said existing facilities, if any there be, to operate, reconstruct, and maintain their utility facilities presently located within said property.
- State shall deliver a standard Oregon Department of Transportation Bargain and Sale Deed. State's deed shall be subject to all standard covenants, conditions, reservations and restrictions contained therein.
- The State of Oregon does **not** provide Title Insurance.
- "AS-IS" clause. Purchaser will have an opportunity to examine the Property to its own satisfaction and will form its own opinion as to the condition (including environmental condition) and value thereof. State will not provide, and Purchaser shall not rely on, any statements or representations from State or any person acting on behalf of State concerning any of the following, except as expressly provided otherwise in the Agreement, including the following:
  1. the size of area of the Property or any of the parcels of the Property;
  2. the location of corners or boundaries of any parcel of the Property;
  3. except as disclosed in the Agreement, the condition of the Property, including but not limited to, environmental conditions above or below the surface of the property or compliance with environmental laws and other governmental requirements;
  4. the availability of services to the Property;
  5. the ability of Purchaser to use the Property or any portion thereof for any intended purpose; or and other matter affecting or relating to the Property or any portion thereof.

The undersigned as bidder, hereinafter referred to as "Purchaser" agrees to the terms set forth in the "Terms of Sale", which terms are incorporated herein by reference and made a part hereof and agrees to pay the STATE OF OREGON, by and through its Department of Transportation, hereinafter referred to as "State" the sum indicated above as the "Amount of Bid", for parcel described on Exhibit "A" attached.

Accompanying the bid is a check payable to the Department of Transportation, in the amount of **\$ Contact Agent**. Property to be purchased on a (cash contract) basis. Balance of (purchase price down payment), in the amount of \$ \_\_\_\_\_, to be in the form of a **Cashier's Check** to be paid by \_\_\_\_\_. Contract interest shall be \_\_\_\_\_. Contract balance will be amortized over \_\_\_\_\_ years. **\* Submit Loan Qualification Letter outlining terms of loan w/this Bid.**

The deposit shall be applied to the bid for the property on which the undersigned is the successful Purchaser. In the event Purchaser fails to pay the balance due in the time specified, or meet contract terms when executed, all rights of the Purchaser in said real property shall cease and all right, title and interest in said real property shall continue to remain vested in the State, free of any claim or equity in the undersigned Purchaser or those claiming through the Purchaser, and the State shall retain all payments or deposits as liquidated damages for failure of Purchaser to complete the purchase or meet the conditions of the contract.

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

## Oregon Department of Transportation

195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009.

PLEASE READ THE FOLLOWING BEFORE SIGNING

### REAL PROPERTY TERMS OF SALE

**CASH SALE:** Cash or check in the amount stated in the sale advertisement at time of bid, **balance to be paid within 60 days** unless specified otherwise. It is understood that the bidder acquires no right, title, interest or equity in or to said real property until full purchase price has been paid.

**CONTRACT SALE:** Final contract terms will be as provided in the sale advertisement for this property, plus the following:

**UNPAID BALANCE:** Purchasers may pay all or any part of the balance due on this contract at any time prior to the time herein specified and required.

**IMPROVEMENTS:** All existing buildings and improvements and those hereafter placed upon premises shall be kept in good repair by Purchasers and not be removed prior to final payment under this contract. Purchasers will obtain State's written consent before altering or adding to any building on premises.

**INSURANCE:** Purchasers shall keep the buildings now located or hereafter placed on premises constantly insured against loss by fire in amounts which are at least equal to the balances due State under this contract. The fire insurance which shall include extended coverage shall be written in the name of the Purchasers with loss, if any, payable to State to the extent of its interest, balance, if any, payable to Purchasers. Purchasers shall deliver to State certificates of coverage from each insurer containing a stipulation that coverage shall not be canceled or diminished without a minimum of 30 days written notice to State. In the event of loss, Purchasers shall give immediate notice to State. State may make proof of loss if Purchasers fail to do so within 15 days of the loss.

**INSURANCE FOR OTHER THAN SINGLE FAMILY DWELLING,** in addition to the above insurance requirements: During the term of this contract, Purchasers shall maintain public liability and property damage insurance with limits of not less than \$50,000 for any number of claims for any number of damages to or destruction of property, including consequential damages, arising out of a single accident or occurrence; \$100,000 for all other claims arising out of a single accident or occurrence and \$1,000,000 for any number of claims arising out of a single accident or occurrence. Such insurance shall cover all risks arising directly or indirectly out of Purchasers' activities on or any condition of Premises whether or not related to an occurrence caused or contributed to by State's negligence; shall protect Purchasers against the claims of State on account of the obligation assumed by Purchasers under the contract, and shall protect State and Purchasers against claims of third persons. State shall be named an additional insured to such policy. Such policies shall be written in such form with such terms and by such insurance companies acceptable to State. Purchasers shall deliver to State certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a 30 day prior written notice to State.

**TAXES AND ASSESSMENTS:** State will pay all real property taxes assessed against premises and improvements thereon, as said real property taxes become due, or in advance of the due date thereof and add said taxes to the principal balance due on the purchase price of premises. Except as herein otherwise provided, the amount of the monthly payments under this contract will be adjusted on January 1st of each year thereafter to reflect the amount of the annual real property taxes assessed against premises and improvements thereon. Except for the real property taxes as hereinabove provided, Purchasers agree to regularly and seasonally pay all other liens, assessments and charges, including local improvement assessments, which are or may be hereafter lawfully imposed or which constitute or will constitute liens or encumbrances against premises. If Purchasers fail or refuse to pay and discharge any of the above mentioned liens, assessments or charges prior to the time they are to become delinquent, State, at its option, may pay the same and add the amount expended to the balance of the purchase price.

**DEED:** In case Purchasers, their legal representatives or assigns, shall pay the several sums of money aforesaid, punctually and at the time above specified, and shall strictly and literally perform all and singular the agreements and stipulations aforesaid, according to the time, intent, and tenor thereof, then State will give unto Purchasers, their heirs or assigns, upon request and upon surrender of this contract, a deed of conveyance conveying premises.

**ASSIGNMENT:** Purchaser shall not sell, assign, or transfer this contract without the prior written consent of State. As a condition to such consent, State will collect a transfer fee and may elect to increase the interest rate hereunder from the date of such transfer of sale. Any such increase in interest shall entitle State to increase the monthly payments hereunder so as to retire the obligation created by the contract within the advertised term.

**DEFAULTS:** Time and the prompt and punctual payment of all sums payable hereunder, and the exact performance and observance of each and all of the agreements and provisions herein contained, are in each and every case of the essence of this contract. If Purchasers fail to pay, when the same becomes due as herein provided, any of the installments specified herein, or become delinquent in the payment of said installments or any of them or in the payment of any assessments levied or assessed or becoming payable against premises, or fail to keep premises free from liens and encumbrances accruing after this date, or otherwise fail to keep and perform the agreements herein, State may take any one or more of the following steps: (a) Terminate this contract by giving Purchasers a 30-day notice in writing of its intentions to do so, and upon the expiration of said 30-day period and the continued default in any covenant or condition by Purchasers during such period, then State may, without tender of performance or suit or action, declare this contract null and void, and all the rights of Purchasers in said contract and all their estate, equity interest or right of possession in premises shall cease and terminate, and all payments made by Purchasers to State, whether principal or interest, or for taxes, liens or assessments, and including any and all buildings and improvements upon premises, shall be forfeited to State, the same being considered liquidated damages for the nonperformance of this contract, and State shall have the right of immediate possession of premises without the necessity of court action; (b) Elect to consider this contract existing, and, in case of a continued default by Purchasers for a period of 30 days after notice to Purchasers calling attention to such default, State may declare the whole of the unpaid balance due on this contract, together with all accrued interest, immediately due and payable; (c) Foreclose this contract by a suit in equity; and/or (d) Specifically enforce the terms of this contract by a suit in equity.

In the event any suit or action is brought by State to enforce the collection of the balance due on this contract and interest, or to obtain possession of premises in the event Purchasers fail to surrender the same peaceably on default or for the collection of any unpaid installment or installments, Purchasers agree to pay such reasonable attorney's fees and other costs as the court may allow the State.

**DEFAULTS FOR OTHER THAN SINGLE FAMILY DWELLINGS:** In addition to the above default provisions; State shall be entitled to the appointment of a receiver as a matter of right, whether or not the apparent value of the premises exceeds the amount of the balance due under this contract, and any receiver appointed may serve without bond. Employment by State shall not disqualify a person from serving as a receiver. Upon taking possession of all or any part of premises, the receiver shall (a) Use, operate, manage, control, and conduct business on premises and make necessary expenditures for all maintenance and improvements as in its judgement are proper; (b) Collect all rents, revenue, income, issues, and profits from premises and apply such sums to the necessary expenses of use, operation and management; and/or (c) At State's option, complete any construction in progress on premises, and in that connection pay all bills, borrow funds, employ contractors, and make any changes in plans and specifications as State deems appropriate.

Purchasers hereby assign to State all rents, revenues, income issues from premises, whether now or hereafter due. Prior to default, Purchasers may operate and manage premises and collect the income from premises. In the event of default and at any time hereafter, State may revoke Purchasers right to collect the income from premises and may, either itself, or through a receiver, collect the same. To facilitate collection, State may notify any tenant or other user to make payments or rents or use fees directly to State. If the income is collected by State, then Purchasers irrevocably designate State as Purchasers attorney-in-fact to endorse instruments received in payment thereof in the name of Purchasers and to negotiate the same and collect the proceeds. Payment by Tenants or other users to State in response to State's demand, shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. State shall apply the income first to the expenses of renting or collection and the balance, if any, to payment of sums due from Purchasers to State under this contract.

**REPRESENTATIONS:** Purchasers accept the land, buildings, improvements and all other aspects of premises in their present condition, (and any personal property sold under this contract), without any representations or warranties, expressed or implied, unless they are expressly set forth in this contract or are in writing signed by State. Purchasers agree that Purchasers have ascertained, from sources other than State, the applicable zoning, building, housing, and other regulatory ordinances and laws as they may affect the present use or any intended future use of premises, and State has made no representations with respect to such laws or ordinances.

It is understood that the Purchaser acquires no right, title, interest or equity in or to said real property until the full down payment has been paid, the buyer's credit approved, and the contract executed.

**GENERAL:** All payments must be made in cash or check payable to the Department of Transportation. In the event Purchaser fails to pay the balance due in the time specified, or meet contract terms when executed, all rights of the Purchaser in said real property shall cease and all right, title and interest in said property shall continue to remain vested in the State, free of any claim or equity in the undersigned Purchaser or those claiming through Purchaser, and the State shall retain all payments or deposits as liquidated damages for failure of Purchaser to complete the purchase or meet the conditions of the contract.

