

PASSED

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

ORDER NO.
05-1-19-5

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE AN OPTION TO PURCHASE AGREEMENT WITH JOHN HAMMER OR ASSIGNS FOR THE SALE OF COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP NO. 17-03-30-34-06700 (620 WEST FIRST STREET, EUGENE)

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 sell the following real property which was acquired through tax foreclosure, to wit:

Lot 1, Block 6, CHESHIRE'S ADDITON, as platted and recorded in Deed Book T, Page 605, Lane County Deed Records, Lane County, Oregon. EXCEPT the West fifty (50) feet thereof.

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 for a minimum bid of \$45,000.00 and remained unsold after such sale with no bid received and

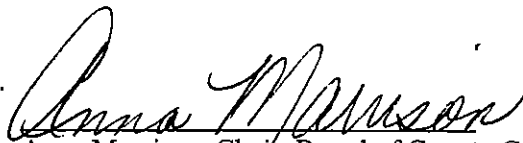
IT IS HEREBY ORDERED that pursuant to ORS 275.190, ORS 275.200, and ORS 275.275, the County Administrator is authorized to execute an Option to Purchase agreement with John Hammer or Assigns substantially similar to attached exhibit "A", that the Board shall execute the Land Sale Contract and Quitclaim Deed should the purchase option be exercised with John Hammer or his assignee as grantee/purchaser and that the Property Management Officer is authorized to execute closing documents.

IT IS FURTHER ORDERED that the proceeds from the sale of the purchase option be disbursed through Foreclosure Fund account, 228-5570270-44411 and that the proceeds from the sale of the property should the purchase option be exercised be disbursed as follows:

Foreclosure Fund	(228-5570270-44441)	\$ 44,681.00
General Fund	(124-5570260-43370)	319.00

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

DATED this 19th day of Jan, 2005.


Anna Morrison, Chair, Board of County Commissioners

IN THE MATTER OF AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE AN OPTION TO PURCHASE AGREEMENT WITH JOHN HAMMER OR ASSIGNS FOR THE SALE OF COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP NO. 17-03-30-34-06700 (620 WEST FIRST STREET, EUGENE)

MINUTES TO BE FORN

DATE 1-7-05 THIS COUNTY

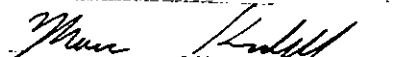


EXHIBIT "A"
OPTION TO PURCHASE/SALE AGREEMENT

LANE COUNTY, a political subdivision of the State of Oregon, hereinafter called **COUNTY**, and **JOHN HAMMER** or **ASSIGNS**, hereinafter called **PURCHASER**, do hereby agree to enter into an **OPTION TO PURCHASE/SALE AGREEMENT** for that certain real property identified as Assessor's map # 17-03-30-34-06700 and more particularly described as:

Lot 1, Block 6, CHESHIRE'S ADDITON, as platted and recorded in Deed Book T, Page 605, Lane County Deed Records, Lane County, Oregon. EXCEPT the West fifty (50) feet thereof.

RECITALS

- A.** COUNTY is the owner of said property due to foreclosure for non-payment of property taxes.
- B.** COUNTY wishes to sell said property and PURCHASER wishes to buy said property from COUNTY.
- C.** The ability to develop or otherwise use said property is unknown at this time with regards to applicable uses, ability to secure development permits, environmental condition, access, status of title and other related issues.
- D.** To facilitate the sale of said property, COUNTY is willing to grant a period of time for PURCHASER to investigate said property to determine its feasibility for purchase and to grant an option to purchase said property under the terms and conditions set forth in this agreement.

AGREEMENT

- 1. OPTION.** COUNTY does hereby grant to PURCHASER an option to purchase the subject property under the terms and conditions set forth in this agreement.
- 2. TERM.** The term of the option period shall commence upon full execution of this agreement and expire at midnight on the 90th day from said full execution.

2.1 – EXTENSION: PURCHASER may extend this agreement for one additional 90 day period by providing written notice to COUNTY, together with additional consideration noted in Section 3 below, before expiration of the initial term.

- 3. CONSIDERATION.** PURCHASER shall pay COUNTY the sum of **FIVE HUNDRED DOLLARS (\$500.00)** for said option payable upon execution of this agreement. PURCHASER shall pay COUNTY an additional \$500 if this agreement is extended per Section 2.1 above. Said sums are **not** refundable should PURCHASER choose not to exercise their purchase option for any reason.

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4. **PURCHASE PRICE.** The purchase price shall be \$45,000 cash payable to Lane County. Payment shall be by cash or cashier's check payable to Lane County. No personal or business checks will be accepted.

4.1 - Terms of Sale: Should PURCHASER exercise its option and proceed with the purchase of the property, the sale shall transpire under the terms and conditions of the Land Sale Contract attached to this agreement. Purchaser shall have the option of paying the entire purchase price at closing. Payment to COUNTY shall be by cashier's check or check drawn on the account of the escrow agent handling the closing. No personal or business checks will be accepted.

4.2 - Contract Interest Rate: The interest rate charged on the outstanding balance of the Land Sale Contract, along with the corresponding installment payment, shall be set at the time PURCHASER exercises their purchase option as set forth in this agreement. The interest rate charged shall be the "prime rate" as published in the *Wall Street Journal*" plus three percent (3%). The "prime rate" used shall be the one most recently published prior to the exercise of PURCHASER'S option. For example, if the last published "prime rate" prior to exercise of the purchase option is 5%, the contract interest rate shall be 8% which will remain fixed for the contract term.

5. **EXERCISE OF OPTION.** PURCHASER shall notify COUNTY in writing on or before the expiration of the option period, or extension thereof, of its intention to execute said option.

6. **TITLE.** COUNTY makes no claim to, and does not warrant title to, the subject property as being free of liens, encumbrances, easements or any other defects to title. It shall be PURCHASER'S obligation to investigate the status of title to the subject property. The COUNTY shall cooperate with PURCHASER in removing any objectionable items from title. However, all expenses and any liability or claims incurred in removing items from title shall be borne by PURCHASER. The COUNTY shall convey its interest in the subject property with a QUITCLAIM DEED. Title insurance, if any, shall be at the option and expense of PURCHASER.

7. **ENVIRONMENTAL CONDITION.** The subject property is known to have underground storage tanks present. COUNTY has an environmental report for the property secured from a previous owner which has been given to PURCHASER for informational purposes. COUNTY itself has not conducted any environmental investigations, tests or studies of the subject property. COUNTY cannot attest to the accuracy of said environmental report. It shall be PURCHASER's responsibility to determine whether the environmental condition of the property is satisfactory to PURCHASER's standards.

8. **CLOSING.** Closing shall occur within 30 days from the effective date of PURCHASER'S written notice exercising its purchase option. Upon payment of the required down payment of the Land Sale Contract, plus a SIXTY DOLLAR (\$60) recording fee, COUNTY shall deliver to PURCHASER an executed Land Sale Contract which has been duly recorded in Lane County's Deed Records (PURCHASER shall first execute the contract and deliver it to County for execution). Should PURCHASER choose to remit the full purchase price at closing, plus a \$27

EXHIBIT "A"

recording fee, COUNTY shall deliver to PURCHASER a recorded Quitclaim Deed conveying COUNTY'S interest in the subject property to PURCHASER. All moneys paid to COUNTY in consideration for this option agreement, and extensions thereof, shall be applied either to the required Land Sale Contract down payment or the purchase price if the full purchase price is paid at closing. Should PURCHASER wish to close the transaction through an escrow agent, PURCHASER shall inform COUNTY where to deliver the Land Sale Contract or Quitclaim Deed.

PURCHASER shall deposit with the escrow agent the funds required to close the transaction and execute any required documents to effect the closing. COUNTY shall deliver the Land Sale Contract, or Quitclaim Deed, to the escrow agent with instructions to deliver it to PURCHASER upon receipt of the required payment to COUNTY. COUNTY shall execute any required documents to effect the closing. PURCHASER and COUNTY shall each pay one-half of all costs associated with the closing of the transaction. PURCHASER shall lose all rights to the property and any monies paid in consideration for this agreement if it fails to close the transaction within 30 days of the written notice exercising the purchase option.

9. **ACCESS.** COUNTY does hereby grant to PURCHASER and/or its agents access to the subject property for the purpose of conducting necessary evaluations.

10. **TESTING PROCEDURES.** PURCHASER shall be responsible for, and pay for, conducting all testing procedures for evaluating the condition of the property. Such procedures shall be conducted by qualified personnel and done in conformance with applicable laws, rules and regulations. Such procedures may include excavation and removal of the two Underground Storage Tanks located on the Southerly portion of the property. Said tanks shall be removed from the property if excavated. The PURCHASER shall return the property to the same condition as it was prior to any actions by the PURCHASER. The COUNTY shall have the right to review and approve all activities and work being conducted on the property prior to any action by the PURCHASER. Reasonable approval will not be withheld and will be given in a timely manner. PURCHASER shall provide COUNTY with a copy of any test reports PURCHASER has secured.

11. **INDEMNIFICATION.** PURCHASER and its agents shall indemnify, defend and hold COUNTY, its commissioners, officers, employees and agents, harmless from any and all claims that may arise due to PURCHASER'S or its agents' conduct on, or investigation of, the property or failure to conform to the terms of this agreement.

12. **WAIVER.** Failure by the COUNTY or PURCHASER to enforce any right under this agreement shall not be deemed to be a waiver of that right or of any other right.

13. **NOTICES.** All notices required or permitted to be given shall be in writing and shall be deemed given and received upon personal service or deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To PURCHASER: John Hammer
 PO Box 2266
 Eugene, OR 97402

EXHIBIT "A"

To COUNTY: Jeff Turk
Lane County/Property Management
125 East 8th Avenue
Eugene, OR 97401

14. **APPROVALS.** PURCHASER shall have the right to apply for and obtain any governmental approvals to use and develop the subject property as PURCHASER may desire. COUNTY, in its capacity as owner of the subject property, shall assist and cooperate with PURCHASER in obtaining such approvals. Such cooperation shall include, but not be limited to, signing all applications and other documents requested by PURCHASER that may reasonably be related to such matters, provided that COUNTY approves the form and substance of all such documents. Such approvals shall not be unreasonably withheld. All costs and expenses incurred with respect to such approvals shall be paid by PURCHASER.

15. **TAXES.** PURCHASER shall not be responsible for any taxes during the option period and will not become responsible for any taxes prior to the date of closing.

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

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IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year indicated below:

DATED:

PURCHASER:

John Hammer

COUNTY:

DATED:

WILLIAM VAN VACTOR, ADMINISTRATOR,
LANE COUNTY:

Pursuant to Order No. _____

EXHIBIT "A"
LAND SALE CONTRACT

THIS AGREEMENT, is made by and between **LANE COUNTY**, a political subdivision of the State of Oregon, hereinafter called **COUNTY**, and **JOHN HAMMER** hereinafter called **PURCHASER**.

WITNESSETH:

In consideration of the terms and conditions hereinafter stated, the parties agree as follows:

1. The **COUNTY** agrees to sell to **PURCHASER** and **PURCHASER** agrees to purchase from **COUNTY** that certain tract of land, with improvements thereon, described as follows:

Lot 1, Block 6, CHESHIRE'S ADDITON, as platted and recorded in Deed Book T, Page 605, Lane County Deed Records, Lane County, Oregon. EXCEPT the West fifty (50) feet thereof.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. 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 TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

2. **PURCHASE PRICE AND TERMS:** The purchase price of the property which **PURCHASER** agrees to pay shall be the sum of FORTYFIVE THOUSAND (\$45,000.00) payable as follows:

- a. The sum of NINE THOUSAND DOLLARS (\$9,000.00) paid upon execution of this document, receipt of which is hereby acknowledged.
- b. The balance of THIRTYSIX THOUSAND (\$36,000.00) shall be payable in **monthly** installments of EIGHT HUNDRED EIGHTYTHREE DOLLARS AND TEN CENTS (\$883.10). Said monthly installments are based on an amortization period of FORTY-EIGHT (48) months with interest at the rate of 8.25% per annum. The first monthly payment of \$883.10 shall be due within thirty (30) days of full execution of this agreement. Subsequent payments of \$883.10 shall be due monthly thereafter. Payments shall first be applied to interest accrued to the date of payment, then to amounts past due **COUNTY** under this agreement other than principal or interest, and then to the principal amount owing.
- c. The entire contract balance plus all accrued but unpaid interest thereon shall be paid in full within 48 months of full execution of this agreement.
- d. A late payment fee of 5% of the delinquent payment amount will be charged on accounts more than fifteen days late.
- e. **PURCHASER** may at any time pay off without penalty the entire balance of the purchase price remaining due, together with interest due thereon at the above specified rate to the date of payment.

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- f. At such time as **PURCHASER** has complied with all the terms of this contract, the **COUNTY** shall convey its interest only by a Quitclaim Deed.
- g. Unless otherwise directed by **COUNTY**, payments shall be sent to: Lane County, Property Management Division. 125 East Eighth Avenue, Eugene, OR 97401

3. **TAXES AND LIENS:** **PURCHASER** agrees to pay all taxes and liens hereafter levied upon the property and all public or private liens which may hereafter be imposed upon the property as the same become due and before they become delinquent. In the event **PURCHASER** defaults in the payment of any taxes or liens, the **COUNTY** may, but shall not be obligated to, pay said taxes or liens on behalf of **PURCHASER**, all of which sums so added to the principal balance shall bear interest at the rate of 12% compounded annually from the date of payment by the **COUNTY**.

4. **INSURANCE:** **PURCHASER** shall keep in force at all times a policy of fire insurance, with standard extended coverage endorsements, on a replacement cost basis covering all improvements on the property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to **COUNTY** under a standard mortgagee's clause and **PURCHASER** as their respective interests may appear. Said insurance policy shall also include liability coverage of not less than \$500,000 per occurrence.

5. **INDEMNIFICATION:** **PURCHASER** shall defend and hold **COUNTY**, its Commissioners, officers, employees and agents harmless from all claims, losses, damages or liability of any kind arising out of or in any way connected with **PURCHASER'S** use or possession of the property.

6. **POSSESSION:** **PURCHASER** shall have the possession of, and the income from the premises so long as he/she is not in default in the performance of his/her agreement with **COUNTY**, but shall forfeit his/her rights under such agreement and to all payments made pursuant thereto if he/she fails to pay such purchase price or any part thereof, principal or interest, or to pay, before delinquency, the taxes thereafter levied against the premises, or commits or suffers any strip or waste of or on such premises, or violates any other reasonable provision of such agreement which the County Commissioners may see fit to require. The **PURCHASER** shall have the privilege of prepayment without penalty.

7. **ASSIGNMENT:** **PURCHASER** agrees that he/she may not assign this contract or his/her rights hereunder without the written consent of the **COUNTY**.

8. **DEFAULT:** In the event **PURCHASER** fails to make the payments provided for herein, or any of them, punctually and under strict terms and at the times above specified, or commits or suffers any strip or waste of or on such premises, or the other terms or conditions of this contract, time of payment and strict performance being declared to be the essence of this contract, then the **COUNTY** at its option, shall have the right:

- a. To cancel this contract in accordance with ORS 275.220 or other applicable laws.
- b. To foreclose this contract by suit, in equity, or any other right existing by law.

In either of such cases all of the right and interest herein created or then existing in favor of **PURCHASER** derived under this contract **PURCHASER** shall utterly cease and determine, and the right to possession of the real property above described and all rights acquired by the **PURCHASER** shall revert to and revest in **COUNTY** without an act of reentry or any other act of **COUNTY** to be performed, and without any right of

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PURCHASER of return, reclamation or compensation for moneys paid on account of the purchase of said property, as absolutely, fully and perfectly as if this contract and such payments had never been made; and, in the event of such default, all payments heretofore made on this contract are to be retained by and belong to **COUNTY** as the agreed and reasonable rent of said premises to the time of such default.

COUNTY, in the event of such default, shall have the right to immediately, or at any time thereafter, enter upon the real property aforesaid without any process of law and take immediate possession thereof, together with all improvements and appurtenances thereon or thereto belonging.

9. **ATTORNEY'S FEES:** In the event suit or action is instituted to enforce any of the provisions hereof, **PURCHASER** agrees to pay such sum as the trial court may adjudge reasonable for **COUNTY'S** attorney fees in said suit or action, and if an appeal is taken from any judgment or decree of the trial court, **PURCHASER** further agrees to pay such sum as the appellate court may adjudge reasonable as **COUNTY'S** attorney fees on appeal, together with all costs allowed by law.

10. **CONDEMNATION:** In the event of appropriation of said real property or any portion thereof by any public or private corporation under the laws of eminent domain, the sum or sums of money received by **PURCHASER** in payment of said appropriation shall be forthwith paid by **PURCHASER** on the purchase price of said property as an additional payment over and above the regular annual payments, and other payments due as herein expressed; provided, however, that in no event shall said payments be more than the full purchase price stated herein.

11. **WAIVER:** Failure by **COUNTY** at any time to require the performance by the **PURCHASER** of any of the provisions hereof shall in no way affect **COUNTY'S** right hereunder to enforce the same, nor shall any waiver by **COUNTY** of any breach be held to be a waiver of any succeeding breach or a waiver of this Non-Waiver Clause.

12. **SUCCESSOR INTEREST:** The covenants, conditions and terms of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors, and assigns of the parties hereto; provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignments.

13. **TITLE POLICY:** **COUNTY** makes no warranties or guarantees, expressed or implied, as to the condition of title of the property subject to this agreement. Title insurance, if any, shall be purchased at **Purchaser's** election and at **Purchaser's** expense.

14. **DEVELOPMENT:** All actions and costs necessary to develop the property being sold under this agreement (the property) shall be borne by **PURCHASER**. **COUNTY** makes no warranties, expressed or implied, as to the ability to develop the property under current land use law. **COUNTY**, in **COUNTY'S** capacity as owner of the property, shall cooperate with **PURCHASER** in **PURCHASER'S** attempts to obtain necessary permits for development of the property. Any actions by **PURCHASER**, such as permit applications, further subdivision of the property or replatting of the property, which requires the consent of **COUNTY** due to **COUNTY'S** ownership of the property shall not be unreasonably withheld. Such consent shall be given in writing by the Administrator of Lane County or his/her designee.

15. **HEADINGS:** The headings herein contained are for reference only and are not to be construed as part of this Agreement.

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Notary Public for Oregon
My Commission Expires: _____

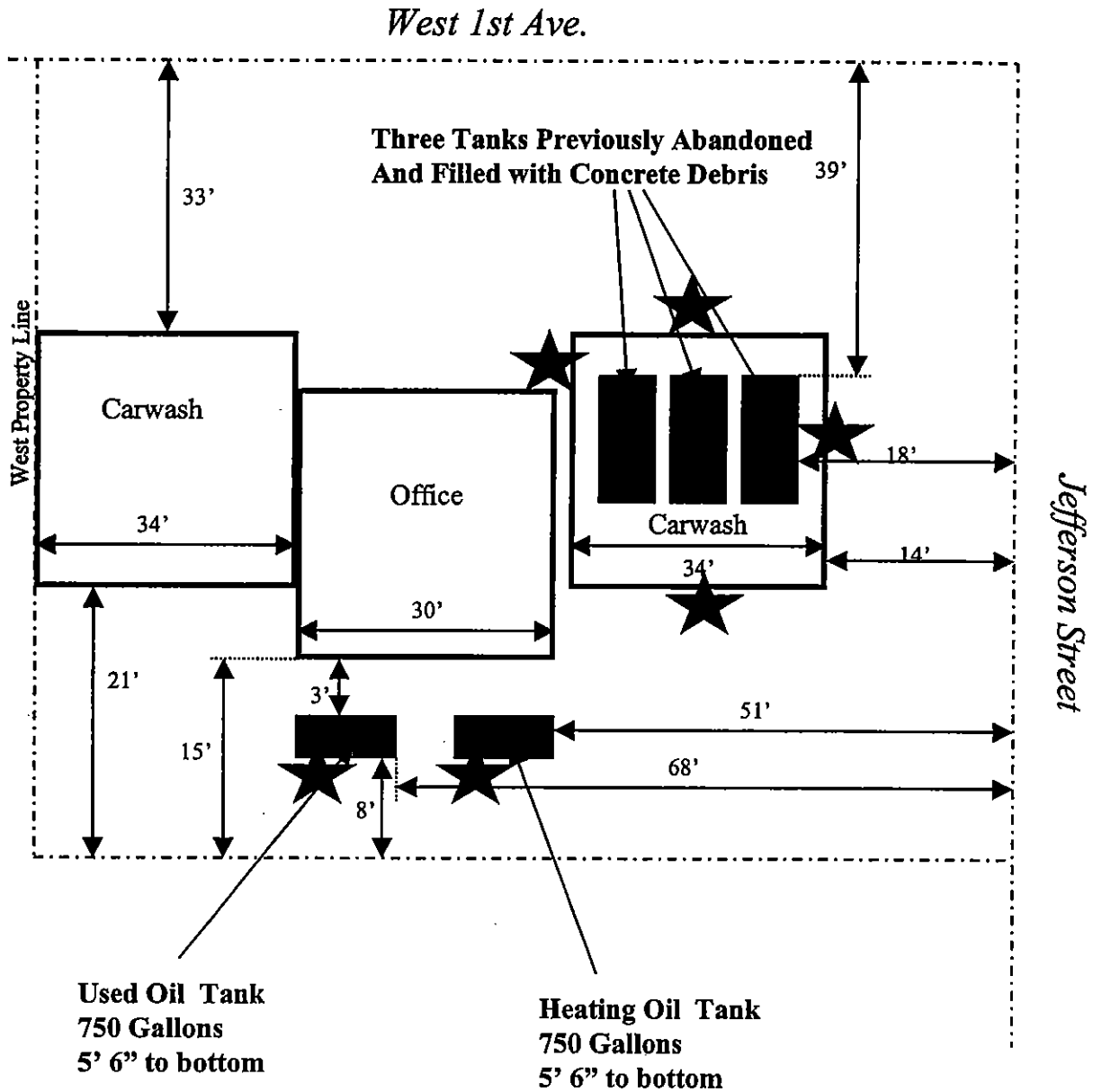
Underground Storage Tank Removal

620 West 1st Ave.

Eugene, OR



NO SCALE



The stars designate the locations of soil samples obtained Sept. 25, 2001