



LANE COUNTY

MANAGEMENT SERVICES DIVISION / 125 East 8th Ave. / Eugene, OR 97401
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W. Y. C. 2

Memorandum Date: 10/4/06
Order Date: 10/18/06

TO: Board of County Commissioners

DEPARTMENT: Management Services

PRESENTED BY: David Suchart, Director

AGENDA ITEM TITLE: ORDER/IN THE MATTER OF AUTHORIZING THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP NO. 16-45-24-00-01002 LOCATED AT 53270 MCKENZIE HWY., BLUE RIVER, AND COMMONLY KNOWN AS THE KAUFMAN PROPERTY, FOR \$300,000

I. MOTION

THE BOARD OF COUNTY COMMISSIONERS MOVES TO AUTHORIZE THE SALE OF SURPLUS COUNTY OWNED REAL PROPERTY IDENTIFIED AS MAP NO. 16-45-24-00-01002 LOCATED AT 53270 MCKENZIE HWY., BLUE RIVER, AND COMMONLY KNOWN AS THE KAUFMAN PROPERTY, FOR \$300,000.

II. AGENDA ITEM SUMMARY

Lane County has received an offer in the amount of \$300,000, for the subject property. The offer is being presented to the Board for acceptance or rejection.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Kaufman property was donated to the County in June 1968 by Gertrude Kaufman. The deed stipulated that, for a period of 35 years, the property was to be used by the County for the benefit and welfare of children under the jurisdiction of the Circuit Court acting by and through the "Juvenile Department" (now Youth

Services). After the expiration of the 35 year period, the County was free to sell the property and use the proceeds "for the benefit of the public". While the property remains under County ownership, regardless if the 35 year period has expired, it is to be used as stated in the deed.

The property is 5.4 acres, is zoned RR5, and is situated between Hwy. 126 and the McKenzie River. The property is improved with a 1,064 sq. ft. house and two smaller bunk houses.

The matter of selling the Kaufman property was discussed by the Board at their May 17, 2006, meeting. At that meeting, pursuant to Order 06-5-17-12, the Board authorized selling the parcel by private sale pursuant to ORS 275.030 which provides for selling county property via private sale without first offering it at a Sheriff's auction. The Board also authorized enlisting the services of a realtor to market the property.

B. Policy Issues

At the time the Board authorized pursuing the sale of the property the subject of other uses was discussed. In the last month Management Services has approached Youth Services with the concept of developing a program similar to the current Youth Services programs for training youth in the culinary arts and as veterinary technicians. The development of such a program for basic construction skills could be utilized to upgrade the facilities currently on the site, thus improving the value of the property for future sale.

C. Board Goals

The County Strategic Plan states (B1.c):

"For land or facilities that the County owns the inventory will identify the value of each holding, the current use, the long-term use identified currently (if any), size, location, zonings and restrictions, and the potential for lease, sale, or other revenue generation."

The Kaufman property can no longer be utilized for the original purpose. Maintenance and upkeep is a drain on already diminished operational funds in the Department of Youth Services.

Most property is managed by the Department of Management Services, and capital and facilities maintenance financed by the Indirect Plan. This property was never considered as a part of that plan, and thus no funding is currently available for that property should a use be found for the property.

D. Financial and/or Resource Considerations

The decision to sell the property was based on, in part, that the Dept. of Youth Services was not using the property for the purpose noted in the deed, and did not envision using the property in the future due to budget and staff constraints. The property still required funding commitments by Youth Services for maintenance and utilities.

The property was listed with an asking price of \$340,000.

E. Analysis

The \$300,000 sale price is greater than the \$230,000 appraised value, as determined by a private fee appraiser in October 2004. Taking into consideration the appreciation that could be reasonably expected since the appraisal, which is estimated to be a maximum of 25%, the adjusted market value of the property would be \$287,500, which is still lower than the sale price offered. The realtor is to be paid a 6% commission (\$18,000) netting the county \$282,000.

Funds from the sale may be used by the County, pursuant to the original deed, "for the benefit of the public" as directed by the Board, as the deed restriction requiring that the property, or the proceeds from a sale, be used for the youth of Lane County has expired

The 2001 legislature amended ORS 275.030 to allow property acquired by a county by means other than tax foreclosure to be sold pursuant to ORS 271. ORS 271.310(1) provides for selling, exchanging or leasing county property if the property is no longer needed for public use, or if the public interest can be furthered by a sale. The governing body of the county is permitted to establish rules to effect a sale, exchange or lease. The Board authorized the private sale of the subject property at its May 17, 2006 meeting.

ORS 275.040 requires that the Order authorizing the private sale be noted on the deed conveying the property.

F. Alternatives/Options

1. Accept the \$300,000 offer. This option would put the property back on the tax rolls.
2. Reject the offer and direct staff to make a counter offer, or to continue marketing the property at a price determined by the Board.
3. Take the property off the market and use the property for the development of a youth program for training construction skills.

IV. TIMING/IMPLEMENTATION

Depending on the option selected, Management Services will move to either complete the sale of the property, or work with the Department of Youth Services, Workforce Partnership, Lane Community College, and all other interested parties to develop the basic construction skills program.

V. RECOMMENDATION

There is no recommendation at this time.

VI. FOLLOW-UP

Upon determination by the Board of County Commissioners, Department of Management Services staff will proceed as directed.

VII. ATTACHMENTS

Board Order
Plat Map
Bargain and Sale Deed
Exhibit "A" – Description of Property
Residential Real Estate Agreements

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

RESOLUTION AND
ORDER 06-

) IN THE MATTER OF AUTHORIZING THE SALE
) OF SURPLUS COUNTY OWNED REAL
) PROPERTY IDENTIFIED AS MAP NO. 16-45-24-
) 00-01002 LOCATED AT 53270 MCKENZIE
) HWY., BLUE RIVER, AND COMMONLY KNOWN
) AS THE KAUFMAN PROPERTY, FOR \$300,000.

WHEREAS county owned real property identified as Assessor's map no. 16-45-24-00-01002 and commonly referred to as the Kaufman property was donated to Lane County with the deed to said property recorded on Reel 398, Reception No. 30373 in the deed records of Lane County and the property more particularly described in **Attached Exhibit "A"**; and,

WHEREAS said real property has been deemed surplus and no longer needed for county purposes and should be sold; and,

WHEREAS the Board has deemed it to be in the best interest of the county not to sell said real property via a Sheriff's sale pursuant to ORS 275.120 and issued Order 06-5-17-12 on May 17, 2006 authorizing a private sale pursuant to ORS 275.030; therefore,

IT IS HEREBY RESOLVED AND ORDERED that pursuant to ORS 275.030 and Order 06-5-17-12, the real property identified as Assessor's map No. 16-45-24-00-01002 be sold to _____ for \$300,000, less a sales commission not to exceed 6% of the sale price paid to REMAX Integrity Real Estate, Kim Kellison and Pat Kellison, Brokers, and other costs associated with closing the sale, and that the Bargain and Sale Deed be executed by the Board.

IT IS FURTHER ORDERED that the County Administrator, or his designee, is authorized to execute closing documents necessary to consummate the sale.

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 _____, 2006.

Bill Dwyer, Chair
Board of County Commissioners

APPROVED AS TO FORM

10-11-06

Clerk

BARGAIN AND SALE DEED

LANE COUNTY, a political subdivision of the State of Oregon, pursuant to Order No. _____ of the Board of County Commissioners of Lane County, hereby bargains, sells and conveys to:

Buyer(s)

all its right, title and interest in that real property situated in Lane County, State of Oregon, described as:

SEE ATTACHED EXHIBIT "A"

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. THIS INSTRUMENT DOES 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, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352

The true and actual consideration for this transfer is \$ 300,000.00

LANE COUNTY BOARD OF COMMISSIONERS:

STATE OF OREGON)
) ss
COUNTY OF LANE)

On _____, 2006 personally appeared _____,
_____, _____, _____,

_____, County Commissioners for Lane County, and acknowledged the foregoing instrument to be their voluntary act. Before me:

Notary Public for Oregon _____
My Commission Expires _____

After recording, return to/taxes to:

Buyer(s)

Mailing Address

City, State, Zip

**Legal Description
for the Real Property Located at
53270 McKenzie Highway, Blue River, Lane County, Oregon 97413**

Beginning at the brass monument marking the northwest corner of Section 24, Township 16 South, Range 4 East of the Willamette Meridian; thence S 0° 23' 52" E 396.00 feet along the west line of said Section 24 to a point marked by an iron pin; thence N 89° 36' 08" E 1322.42 feet to a point marked by an iron pin; thence S 0° 23' 52" E 416.96 feet to an iron pin marking the TRUE POINT OF BEGINNING on the southerly right of way line of the Relocated McKenzie Highway; thence S 0° 23' 52" E 565.93 feet to a point on the right bank of the present channel of the McKenzie River; thence downstream along said bank of the McKenzie River to a point which bears N 79° 39' 17" W 1156.81 feet from the last described point, (said point being referenced on the ground by an iron pin bearing N 30° 48' 30" W 30 feet); thence N 30° 48' 30" W 168.34 feet to an iron pin set opposite to and 40.00 feet southeasterly from Engineer's centerline station 155+39.05 P.S. of the Relocated McKenzie Highway; thence along the southerly right of way line of said Highway and along a spiral curve to the right (being concentric with and 40.00 feet southerly from the centerline of said Highway and a standard Oregon State Highway Department Spiral in which L=200 feet, S=4° 00', and a=2.0) to an iron pin set opposite to and 40.00 feet southerly from Engineer's centerline station 157+39.05 P.S.C., said point bearing N 60° 30' 47" E 197.17 feet from the last described point; thence continuing along said right of way line and along the arc of a curve to the right having a radius of 1392.39 feet to an iron pin opposite to and 40.00 feet from Engineer's centerline station 164+47.80 P.C.S. which bears N 77° 22' 00" E 681.95 feet from the last described point; thence continuing along said right of way line and along a spiral curve to the right (being concentric with and 40.00 feet southerly from the centerline of said Highway and a standard Oregon State Highway Department Spiral in which L=200 feet, S=4° 00' and a=2.0) to an iron pin set opposite to and 40.00 feet southerly from Engineer's centerline station 166+47.80 P.T., said point bearing S 85° 46' 56" E 197.17 feet from the last described point; thence S 84° 27' 30" E 187.45 feet to the true point of beginning in Lane County, Oregon.

ALSO: Beginning at the brass monument marking the northwest corner of Section 24, Township 16 South, Range 4 East of the Willamette Meridian; thence S 0° 23' 52" E 396.00 feet along the west line of said Section 24 to a point marked by an iron pin; thence N 89° 36' 08" E 1322.42 feet to a point marked by an iron pin; thence S 0° 23' 52" E 1202.89 feet to the TRUE POINT OF BEGINNING on the right bank of the present channel of the McKenzie River; thence S 0° 23' 52" E 560.01 feet to a point on said right bank; thence downstream along said right bank of the McKenzie River to the true point of beginning in Lane County, Oregon.



Sale Agreement # 10001CB

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) Claudia Bailey (Name of Selling Licensee) of RE/MAX Integrity
(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) Kimberly Kellison (Name of Listing Licensee) of RE/MAX Integrity
(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 Bruno Francia Date 9-18-06
Buyer [Signature] Print Darcy Francia Date 9-18-06
Seller _____ Print _____ Date _____
Seller _____ Print _____ Date _____

RESIDENTIAL REAL ESTATE SALE AGREEMENT

This Agreement is intended to be a legal and binding contract. If it is 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. The Licensee(s) and Firm(s) identified in the Final Agency Acknowledgment Section above are not parties to this Agreement, except as may be applicable in Sections 35, 36, 37, 41, and 44, below. Unless otherwise provided herein: (1) Time calculated in days after the date Seller and Buyer have signed this Agreement shall start on the first full business day after the date that the last party has signed accepting this Agreement, including counteroffer(s), if applicable; (2) Written notices required or permitted under this Agreement to be delivered to Seller or Buyer may be delivered to their respective Licensee with the same effect as if delivered to that Seller or Buyer; (3) A "business day" shall mean and include Monday through Friday, except recognized legal holidays as enumerated in ORS 187.010 and 187.020.

2. PRICE/PROPERTY DESCRIPTION: Buyer (print name(s)) Bruno Francia & Darcy Francia 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.) 53270 MCKENZIE HWY Blue River OR 97413

(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 A \$300000.00
on the following terms: Earnest money herein received for B \$1000.00
on _____ as additional earnest money, the sum of C \$ _____
at or before closing, the balance of down payment D \$74,000.
at closing and upon delivery of [] DEED [] CONTRACT the sum of (Lines B, C, D and E should equal Line A) E \$225000.00

Payable as follows (Describe details of any loan(s) to be obtained): Buyer to obtain a conventional loan for balance, payable at closing. Cash to Sellers on closing. Loan approval from Kyle Hescocock at National City Mortgage.

For additional details, see Addendum _____

3. BUYER REPRESENTATIONS/LOAN CONTINGENCY: 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

Buyer Initials BF DF Date 9-18-06 Seller Initials _____ Date _____

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE
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REAL ESTATE SALE AGREEMENT - Page 1 of 8



Sale Agreement # 10001CB

48 property, 401K disbursements, etc.), unless otherwise disclosed in this Agreement.
 49 IF A NEW LOAN IS REQUIRED, THIS TRANSACTION IS SUBJECT TO BUYER AND PROPERTY QUALIFYING FOR THE LOAN AND THE LENDER'S
 50 APPRAISAL BEING NOT LESS THAN THE PURCHASE PRICE. This contingency is solely for Buyer's benefit and may be waived by Buyer in writing. Buyer
 51 agrees to make written loan application not later than 3 business days (three (3) if not filled in) after the date Seller and Buyer have signed this Agreement and
 52 thereafter, complete necessary papers, and exert best efforts, including payment of all application, appraisal and processing fees, in order to procure the loan.
 53 Buyer authorizes lender to provide non-confidential information to Lending and Selling Licensees regarding status of the loan. If Property is located in a
 54 designated flood zone, Buyer acknowledges that flood insurance may be required as a condition of the new loan. Buyer is encouraged to promptly verify the
 55 availability and cost of property/casualty insurance that will be secured for the Property.

56 **4. ADDITIONAL PROVISIONS: Buyers purchasing property in an "AS IS" condition Subject to**
 57 **inspections conducted at their expense.**

58 For additional provisions, see Addendum _____

59 **5. TITLE INSURANCE:** Unless otherwise provided herein, this transaction is subject to Buyer's review and approval of a preliminary title report and the
 60 recorded covenants, conditions and restrictions ("the report and CC&Rs") showing the condition of title to the Property. (If not fully understood, Buyer
 61 should immediately contact the title insurance company for further information or seek competent legal advice. Neither the Listing nor Selling
 62 licensees are qualified to advise on specific legal or title issues.) Upon execution of this Agreement by Seller and Buyer, Seller will, at Seller's sole
 63 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,
 64 Buyer shall have 5 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 are
 65 unacceptable to Buyer ("the objections"). Buyer's failure to timely object, in writing, to any matters disclosed in the report and CC&Rs which are
 66 acceptable to the report and/or CC&Rs. Provided, however, Buyer's failure to timely object shall not relieve Seller of the duty to convey marketable title
 67 pursuant to Section 6 below. If, within 10 business days (five (5) if not filled in) following receipt of the objections, if any, Seller fails to remove or correct the
 68 matters identified in the objections, or does not give written assurances reasonably satisfactory to Buyer that they will be removed or corrected, all earnest
 69 money shall be promptly refunded to Buyer and this transaction shall be terminated. This contingency is solely for Buyer's benefit and may be waived by
 70 Buyer in writing. Within thirty (30) days after closing, Seller shall furnish to Buyer an owner's standard form policy of title insurance insuring marketable title in
 71 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
 72 transaction.

73 **6. DEED:** Seller shall convey marketable title to the Property by statutory warranty deed (or good and sufficient personal representative or trustee's deed,
 74 where applicable) free and clear of all liens of record, except property taxes which are a lien but not yet payable, zoning ordinances, building and use
 75 restrictions, reservations in Federal patents, easements of record which affect the Property, covenants, conditions and restrictions of record, and those matters
 76 accepted by Buyer pursuant to Section 5 above.

77 **7. FIXTURES:** All fixtures, including remote controls and essential related equipment, are to be left upon the Property. Fixtures shall include but not be limited
 78 to: Built-in appliances; attached floor coverings; drapery rods and curtain rods; window and door screens; storm doors and windows; system fixtures (irrigation,
 79 plumbing, ventilating, cooling and heating); water heaters; attached electric light and bathroom fixtures; light bulbs; fluorescent lamps; window blinds; awnings;
 80 fences; all planted shrubs, plants and trees; **EXCEPT: NONE**

81 **8. PERSONAL PROPERTY:** The following personal property, in "AS-IS" condition and at no stated value is included:
 82 **all items on the property now.**

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

85 **10. SELLER REPRESENTATIONS:**

86 (1) The above dwelling is connected to (check all that apply): a public sewer system; an on-site sewage system; a public water system;
 87 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
 88 required by law (See, <http://www.sdm.state.or.us>). (3) Seller has no knowledge of any hazardous substances on the Property other than substances
 89 (if any) contained in appliances and equipment. Buyer acknowledges that asbestos commonly exists in insulation, ceilings, floor coverings and
 90 other areas in residential housing and may exist in the Property. (4) Seller knows of no material structural defects. (5) All electrical wiring, heating,
 91 cooling, plumbing and irrigation equipment and systems and the balance of the Property, including the yard, will be in substantially its present
 92 condition at the time Buyer is entitled to possession. (6) Seller has no notice of any liens to be assessed against the Property. (7) Seller has no
 93 notice from any governmental agency of any violation of law relating to the Property. (8) Seller is not a "foreign person" under the Foreign
 94 Investment in Real Property Tax Act ("FIRPTA") as defined in Section 25 below. (9) Seller agrees to promptly notify Buyer if, prior to closing, Seller
 95 receives actual notice of any event or condition which could result in making any previously disclosed material information relating to the
 96 Property substantially misleading or incorrect. These representations are based upon Seller's actual knowledge. Seller has made no
 97 investigations. Exceptions to items (1) through (9) are: **NONE**

Buyer Initials BF DC Date 9-18-06

Seller Initials _____ Date _____

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE OREF 001-2



Sale Agreement # 10001CS

98 Buyer acknowledges that the above representations are not warranties regarding the condition of the Property and are not a substitute for, nor in
 99 lieu of, Buyer's own responsibility to conduct a thorough and complete independent investigation, including the use of professionals, where
 100 appropriate, regarding all material matters bearing on the condition of the Property, its value and its suitability for Buyer's intended use. Neither
 101 the Listing nor Selling Licensees shall be responsible for conducting any inspection or investigation of any aspects of the Property.
 102 11. "AS-IS": Except for Seller's express written agreements and written representations contained herein, and Seller's Property Disclosure, if any,
 103 Buyer is purchasing the Property "AS-IS," in its present condition and with all defects apparent or not apparent. This provision shall not be
 104 construed to limit Buyer's right to implied new home warranties, if any, that may otherwise exist under Oregon law.
 105 12. PRIVATE WELL: If applicable, Seller represents that the private water well located on or serving the Property has provided an adequate supply of water
 106 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
 107 authorized by and complies with the laws of the State of Oregon and appropriate governmental agencies. No other representation is made concerning the
 108 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
 109 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
 110 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
 111 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
 112 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
 113 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
 114 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
 115 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
 116 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
 117 Property are not currently registered with the applicable governmental agency, Seller agrees to assist Buyer, at Buyer's sole expense, in registering them. The
 118 preceding sentence shall survive closing of this transaction. For additional well provisions, see Addendum _____.
 119 13. INSPECTIONS: Buyer understands that it is advisable to have a complete inspection of the Property by qualified professional(s), relating to
 120 such matters as structural condition, soil condition/compaction, stability, environmental issues, survey, zoning, operating systems, and suitability
 121 for the Buyer's intended purpose. Neither the Listing nor Selling Licensees are qualified to conduct such inspections and shall not be responsible
 122 to do so. For further details, Buyer is encouraged to review the Buyer Advisory at "http://www.oregonrealtors.org" or at
 123 "http://www.rea.state.or.us".

124 (CHECK ONLY ONE)

125 PROFESSIONAL INSPECTIONS: At Buyer's expense, Buyer may have the Property and all elements and systems thereof inspected by one or more
 126 professionals of Buyer's choice. Provided, however, Buyer must specifically identify in this Agreement any desired inspections which may include testing or
 127 removal of any portion of the Property. Buyer understands that Buyer is responsible for the restoration of the Property following any inspection(s)/test(s)
 128 performed by Buyer or on Buyer's behalf. Buyer shall have _____ business days (ten (10) if not filled in), after the date Seller and Buyer have signed this
 129 Agreement, (hereinafter "the Inspection Period") in which to complete all inspections and negotiations with Seller regarding any matters disclosed in any
 130 inspection report. However, during the Inspection Period, Seller shall not be required to modify any terms of this Agreement already reached with Buyer.
 131 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
 132 unconditional disapproval of the property based on any inspection report(s), in which case, all earnest money deposits shall be promptly refunded and this
 133 transaction shall be terminated. Buyer shall promptly provide a copy of all reports to Seller only if requested by Seller. If Buyer fails to provide Seller or
 134 Listing Licensee with written unconditional disapproval of any inspection report(s) by Midnight of the final day of the Inspection Period, Buyer
 135 shall be deemed to have accepted the condition of the Property.

136 SEE ATTACHED ADDENDUM REGARDING ALTERNATIVE INSPECTION PROCEDURES, (USE OREF PROFESSIONAL INSPECTION
 137 ADDENDUM FORM #058 OR OTHER INSPECTION ADDENDUM.)

138 BUYER'S WAIVER OF INSPECTION CONTINGENCY: Buyer acknowledges that Buyer has been given an opportunity to have the Property
 139 fully inspected. Buyer represents to Seller and all Licensees and Firms that Buyer is fully satisfied with the condition of the Property and all
 140 elements and systems thereof and elects to waive the right to have any inspections performed as a contingency to the closing of the transaction.
 141 Buyer's election to waive the right of inspection is solely Buyer's decision and at Buyer's own risk.

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

145 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
 146 said assessment or inspection. The Lead-Based Paint Inspection Period shall commence when Buyer signs the Disclosure Addendum. During the Lead-

Buyer Initials RLH DP Date 9-18-06

Seller Initials _____ Date _____



Sale Agreement # 1000108

147 Based Paint Inspection Period, Buyer shall not become obligated under this Sale Agreement. Buyer may, in writing, unconditionally cancel this
 148 transaction during the Lead-Based Paint Inspection Period and receive a prompt return of all earnest money deposits. Buyer understands that the
 149 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-
 150 based paint or lead-based paint hazards.

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

154 16. CLOSING: TIME IS OF THE ESSENCE. Closing shall occur on a date mutually agreed upon by Seller and Buyer, but in no event later than
 155 10/24/2006 ("the Closing Deadline"). The terms "closed", "closing" or "closing
 156 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
 157 by the Closing Deadline, it may be necessary to execute documents and deposit funds in Escrow prior to that date.

158 17. POSSESSION: Seller shall remove all personal property (including trash and debris) that is not a part of this transaction, and deliver
 159 possession of the Property to Buyer (check one): by 8:00 p.m. on the closing date; by _____ a.m. p.m. _____ days after the closing
 160 date; by _____ a.m. p.m. on the _____ day of _____. If a tenant is currently in possession of the Property (check one):
 161 Buyer will accept tenant at the closing date; Seller shall have full responsibility for removal of tenant prior to closing date.

162 18. PRORATIONS: Prorates for rents, current year's taxes, interest on assumed obligations, and other prepaid expenses attributable to the Property shall be
 163 as of: (check one only) the closing date; date Buyer is entitled to possession; or _____

164 19. SELLER POSSESSION AFTER CLOSING: In the event that Seller and Buyer have agreed that Seller will deliver possession after the closing date,
 165 Seller shall pay as consideration \$ _____ per day for each day after closing that Seller remains in possession of the
 166 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
 167 Seller's possession does not exceed 90 days after the date of closing. See attached Addendum _____ if applicable.

168 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
 169 Seller's supplier's rate on the possession date. Payment shall be handled between Buyer and Seller outside of escrow.

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

171 22. ESCROW DEPOSIT: Escrow is hereby instructed by Seller and Buyer as follows: (1) Upon your receipt of a copy of this Agreement marked "rejected" by
 172 Seller or upon Listing Firm's written advice that the offer is "rejected" by Seller, you are to refund all earnest money to Buyer. (2) Upon your receipt of a copy of
 173 this Agreement signed by Seller and Buyer, set up an escrow account and proceed with closing in accordance with the terms of this Agreement. If you
 174 determine that the transaction cannot be closed for any reason (whether or not there is then a dispute between Seller and Buyer), subject only to Section 37
 175 below, you are to hold all earnest money deposits until you receive written instructions from Seller and Buyer, or a final ruling from a court or arbitrator, as to
 176 disposition of such deposits.

177 23. EARNEST MONEY PAYMENT/REFUND: If (1) Seller does not approve this Agreement; or (2) Seller approves this Agreement but fails to furnish
 178 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
 179 condition which Buyer has made an express contingency in this Agreement (and has not been otherwise waived) fails through no fault of Buyer, then all
 180 earnest money shall be promptly refunded to Buyer. However, acceptance by Buyer of the refund shall not constitute a waiver of other legal remedies
 181 available to Buyer. If Seller signs this Agreement and title is marketable; and (1) Buyer has misrepresented Buyer's financial status; or (2) Buyer's bank does
 182 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
 183 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
 184 shall be paid to Seller either as liquidated damages or as otherwise allowed under Oregon law, and this transaction shall be terminated. It is the intention
 185 of the parties that Seller's sole remedy against Buyer for Buyer's failure to close this transaction shall be limited to the amount of earnest money paid
 186 or agreed to be paid herein.

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

189 25. FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT: The Foreign Investment in Real Property Tax Act ("FIRPTA") requires every person who
 190 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
 191 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
 192 individual, foreign corporation, foreign partnership, foreign trust and foreign estate. Seller and Buyer agree to execute and deliver, as appropriate, any
 193 instrument, affidavit or statement, and to perform any acts reasonable or necessary to carry out the provisions of FIRPTA. If Seller is a foreign person as
 194 defined by FIRPTA, Seller and Buyer instruct Escrow to take all necessary steps to comply therewith.

195 26. APPROVED USES: THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING
 196 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, THAT, IN FARM OR FOREST ZONES, MAY NOT

Buyer Initials RF Date 9-16-06

Seller Initials _____ Date _____

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE

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REAL ESTATE SALE AGREEMENT -- Page 4 of 8

OREF 001-4



Sale Agreement # 10001CS

197 AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS
 198 DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE
 199 SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). BEFORE
 200 SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE
 201 APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES. THE EXISTENCE OF FIRE PROTECTION FOR
 202 STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2006 (BALLOT
 203 MEASURE 37 (2004)). IF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IS SUBJECT TO SPECIAL ASSESSMENT UNDER ORS 358.505, ORS
 204 358.518 REQUIRES NOTIFICATION TO THE STATE HISTORIC PRESERVATION OFFICER OF SALE OR TRANSFER OF THIS PROPERTY.
 205 27. IRC 1031 EXCHANGE: In the event Seller or Buyer elects to complete an IRC 1031 exchange in this transaction, the other party agrees to cooperate
 206 with them and the accommodator, if any, in a manner necessary to complete the exchange, so long as it will not delay the close of escrow or cause additional
 207 expense or liability to the cooperating party. Unless otherwise provided herein, this provision shall not become a contingency to the closing of this transaction.
 208 28. LEVY OF ADDITIONAL PROPERTY TAXES: The Property: (check one) is is not specially assessed for property taxes (e.g. farm, forest or
 209 other) in a way which may result in levy of additional taxes in the future. If it is specially assessed, Seller represents that the Property is current as to income or
 210 other conditions required to preserve its deferred tax status. If, as a result of Buyer's actions or the closing of this transaction, the Property either is disqualified
 211 from special use assessment or loses its deferred property tax status, unless otherwise specifically provided in this Agreement, Buyer shall be responsible for
 212 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
 213 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
 214 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
 215 may be levied against the Property and shall hold Buyer completely harmless therefrom. The proceeding shall not be construed to limit Seller's or Buyer's
 216 available remedies or damages arising from a breach of this Section 28.
 217 29. ADDITIONAL LAND SALE CONTRACT/TRUST DEED/MORTGAGE PROVISIONS: If this transaction is to include a land sale contract, trust deed
 218 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
 219 (ten [10] if not filed in) after the date Seller and Buyer have signed this Agreement. Upon failure to reach such agreement within said time period, this
 220 transaction shall be terminated, and all earnest money shall be promptly refunded to Buyer.

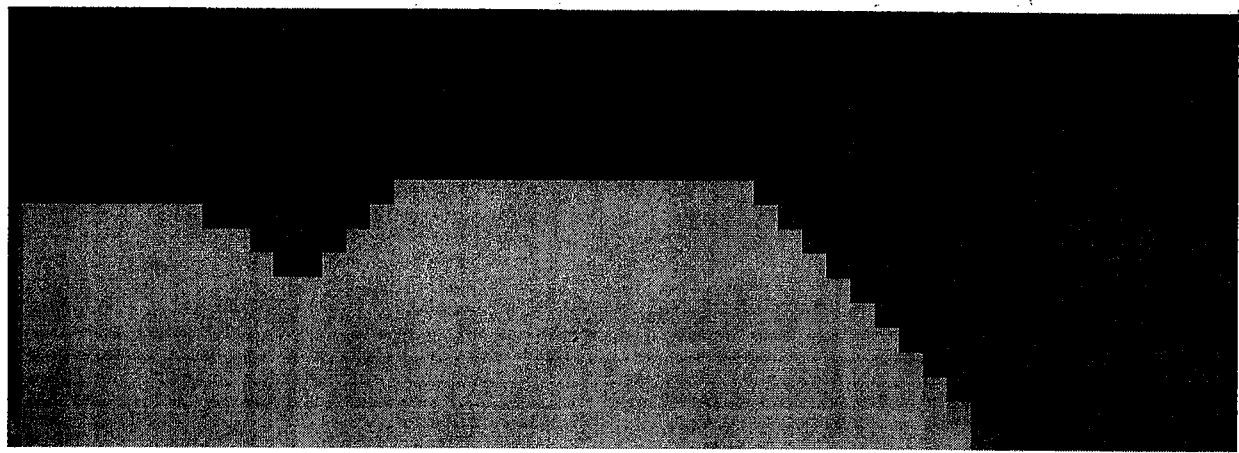
DISPUTE RESOLUTION INVOLVING SELLER AND BUYER ONLY

221
 222 30. DISPUTE RESOLUTION BETWEEN SELLER AND BUYER: Seller and Buyer agree that all claims, controversies and disputes between them,
 223 including those for rescission (hereinafter collectively referred to as "Claims"), relating directly or indirectly to this transaction, shall be resolved in accordance
 224 with the procedures set forth herein, which shall expressly survive closing or earlier termination of this Agreement. Provided, however, the following matters
 225 shall not constitute Claims: (1) any proceeding to collect, interpret or enforce any mortgage, trust deed, land sale contract or recorded construction lien; or (2) a
 226 forcible entry and detainer action (eviction). The filing in court for the issuance of any provisional process or similar remedy described in the Oregon or Federal
 227 Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the dispute resolution procedures specified herein.
 228 31. SMALL CLAIMS BETWEEN SELLER AND BUYER: Notwithstanding the following Sections, Seller and Buyer agree that all Claims between them
 229 that are within the jurisdiction of the Small Claims Court shall be brought and decided there, in lieu of mediation, arbitration or litigation in any other forum.
 230 32. MEDIATION BETWEEN SELLER AND BUYER: If Seller or Buyer were represented in this transaction by a Licensee whose principal broker is a
 231 member of the National Association of REALTORS®, all Claims between Seller and Buyer shall be submitted to mediation in accordance with the procedures
 232 of the Home Seller/Home Buyer Dispute Resolution System of the National Association of REALTORS®, or other organization-adopted mediation program
 233 (collectively "The System"). Provided, however, if the Licensee's principal broker is not a member of the National Association of REALTORS®, or the System
 234 is not available through the principal broker's Association of REALTORS®, then all Claims shall be submitted to mediation pursuant to: (1) the special
 235 mediation program administered by Arbitration Service of Portland for the mediation of Claims in those geographic areas where the System is not available
 236 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
 237 where the Property is located, as selected by the party first filing for mediation.
 238 33. ARBITRATION BETWEEN SELLER AND BUYER: All Claims between Seller and Buyer that have not been resolved by mediation, or otherwise,
 239 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
 240 purposes of meeting any applicable statutes of limitation or for purposes of filing a lis pendens. Seller or Buyer may file Claims either with Arbitration Service of
 241 Portland ("ASP") or, alternatively, with any other professional arbitration service that has existing rules of arbitration, provided that the selected alternative
 242 service also uses arbitrators who are in good standing with the Oregon State Bar, with expertise in real estate law and who can conduct the hearing in the
 243 county where the Property is located. The arbitration service in which the Claim is first filed shall handle the case to its conclusion. BY CONSENTING TO
 244 THIS PROVISION YOU ARE AGREEING THAT DISPUTES ARISING UNDER THIS AGREEMENT SHALL BE HEARD AND DECIDED BY ONE OR
 245 MORE NEUTRAL ARBITRATORS AND YOU ARE GIVING UP THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY. THE RIGHT TO

Buyer Initials BT IDF Date 9-16-06

Seller Initials _____ Date _____

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE
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 REAL ESTATE SALE AGREEMENT - Page 5 of 8





Sale Agreement # 1000103

246 APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.
 247 34. ATTORNEY FEES IN CLAIMS BETWEEN SELLER AND BUYER: The prevailing party in any suit, action or arbitration (excluding those Claims filed
 248 in Small Claims Court) between Seller and Buyer shall be entitled to recovery of all reasonable attorney fees and costs and disbursements as defined in
 249 ORCP 06 (including all filing and mediator fees paid in mediation). Provided, however, if a mediation service was available to the Seller or Buyer when the
 250 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
 251 prevailing party offered or agreed in writing to participate in mediation prior to, or promptly upon, the filing in arbitration or court.

252 **DISPUTE RESOLUTION INVOLVING LICENSEES OR FIRMS**

253 35. SMALL CLAIMS COURT AND ARBITRATION: All claims, controversies or disputes relating to this transaction in which a Licensee or Firm identified
 254 in the Final Agency Acknowledgment Section above, is named as a party, shall be resolved exclusively as follows: (1) If within the jurisdictional limit of Small
 255 Claims Court, the matter shall be brought and decided there, in lieu of arbitration or litigation in any other forum. (2) All other claims, controversies or disputes
 256 involving such Licensee or Firm shall be resolved through final and binding arbitration using the arbitration selection process described in Section 33, above.
 257 This Section 35 shall be in lieu of litigation involving such Licensee or Firm in any other forum. Such Licensee or Firm may voluntarily participate in formal or
 258 informal mediation at any time, but shall not be required to do so under this Section 35. This Section 35 shall not apply to those matters in which: (a) The
 259 claim, controversy or dispute is exclusively between Realtors® and is otherwise required to be resolved under the Professional Standards Arbitration
 260 provisions of the National Association of REALTORS®; (b) The Licensee or Firm has agreed to participate in alternative dispute resolution in a prior written
 261 listing, service or fee agreement with the Seller or Buyer, or (c) The Licensee or Firm is the Seller or Buyer in this transaction (in which case, Sections 30-34
 262 shall apply). This Section 35 shall expressly survive closing or earlier termination of this Agreement. As to any claim, controversy or dispute in which
 263 such Licensee or Firm is named as a party, this Section 35 shall, where applicable, be in lieu of, replace and supersede the alternative dispute
 264 resolution and attorney fee provisions of Sections 30-34 above.

265 36. RECEIPT FOR EARNEST MONEY: The undersigned Selling Firm acknowledges receipt of earnest money (which Selling Firm agrees to handle as
 266 provided below) from Buyer in the sum of \$1,000, evidenced by (check one) CASH CHECK

267 PROMISSORY NOTE payable as follows: _____; Other Form of Earnest Money: _____

268 37. EARNEST MONEY INSTRUCTIONS: Buyer instructs the undersigned Selling Firm to handle the earnest money as follows (check all that apply):

269 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
 270 which time deposit it as provided herein within three (3) banking days. Deposit any earnest money funds redeemed under a promissory note with _____

271 Deposit it in the Selling Firm's client trust account, and thereafter/ Deposit with Escrow. In the event the earnest money is deposited in the Selling
 272 Firm's trust account or with escrow (collectively "the Deposit Holder"), and the Deposit Holder has arranged to have interest on such deposit transferred to a
 273 qualified public benefit corporation for distribution to organizations and individuals for first time home-buying assistance and development of affordable housing
 274 pursuant to ORS 696.241(6) or ORS 696.578(3), all parties acknowledge and agree that any interest accruing on the earnest money so deposited shall be
 275 transferred in accordance with this provision. The preceding sentence shall be subject to any other statutes or regulations governing the disposition of earnest
 276 money deposits.

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

279 Selling Firm RE/MAX Integrity Selling Licensee Signature [Signature]
 280 Office Address 4710 Village Plz Lp Ste 200 Eugene OR 97401 Phone 541-984-5403 FAX 541-302-
 281 4899

283 38. PROPERTY DISCLOSURE LAW: Buyer and Seller acknowledge that unless this transaction is otherwise exempted, Oregon law provides that Buyer
 284 has a right to revoke Buyer's offer by giving Seller written notice thereof (a) within five (5) business days after Seller's delivery of Seller's Property Disclosure
 285 Statement ("the Statement"), or (b) at any time before closing (as defined in the Oregon Administrative Rules) if Buyer does not receive the Statement from
 286 Seller before closing. Buyer may waive the right of revocation if done so in writing.
 287 Seller authorizes the Listing Firm to receive Buyer's notice of revocation, if any, on Seller's behalf.

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

290 40. AGREEMENT TO PURCHASE: BUYER acknowledges receipt of a completely filled in copy of this Agreement which Buyer has fully read and

Buyer Initials [Signature] Date 9-16-06 Seller Initials _____ Date _____
 OREGON 001-8



Sale Agreement # 10001CB

291 understands. Buyer acknowledges that Buyer has not received or relied upon any oral or written statements, made by Seller or any Licensee,
292 which are not expressly contained in this Agreement. Neither Seller nor any Licensees warrant the square footage of any structure or the size of
293 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
294 signing, or should be made an express contingency in this Agreement.

295 Deed or contract shall be prepared in the name of Bruno Francia & Darcy Francia
296 This offer shall automatically expire on (insert date) at a.m. p.m., (the Offer Deadline), if not
297 accepted within that time. Buyer may withdraw this offer before the Offer Deadline any time prior to Seller's acceptance. If Seller accepts this offer after the
298 Offer Deadline, it shall not be binding upon Buyer unless accepted by Buyer in writing within business days (two [2] if not filled in) thereafter by so
299 indicating at Section 43 below. This offer may be accepted by Seller only in writing.

300
301 Buyer: [Signature] Date: 9-16-06 a.m. p.m. ←
302 Buyer: [Signature] Date: 9-16-06 a.m. p.m. ←
303 Address: 2739 Riverwalk Eugene OR Zip: 97401
304 Phone Home: 541 520-5222 Work: 541 689-5370 E-mail: Fax:

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

305 This offer was submitted to Seller for signature on the day of at a.m.
306 By (Licensee presenting offer).

309 41. 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,
310 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
311 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
312 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
313 closing. Seller acknowledges receipt of a completely filled in copy of this Agreement, which Seller has fully read and understands. Seller
314 acknowledges that Seller has not received or relied upon any oral or written statements of Buyer or any Licensee(s) which are not expressly contained in this
315 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
316 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
317 closed, with residue to Seller, or

318 Seller: Date: a.m. p.m. ←
319 Seller: Date: a.m. p.m. ←
320 Address: Zip:
321 Phone Home: Work: E-mail: Fax:

323 42. REJECTION/COUNTER OFFER:
324 SELECT ONE: Seller does not accept the above offer, but makes the attached counter offer; Seller rejects Buyer's offer without a counter offer.

325 Seller: Date: a.m. p.m. ←
326 Seller: Date: a.m. p.m. ←
327 Address: Zip:
328 Phone Home: Work: E-mail: Fax:

Buyer Initials: [Signature] DF Date: 9-16-06
Seller Initials: / Date: OREF 001-7

LINES WITH THIS SYMBOL ← REQUIRE A SIGNATURE OF BUYER AND/OR SELLER AND DATE
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REAL ESTATE SALE AGREEMENT - Page 7 of 8



Sale Agreement # 18881CB

330 43. BUYER'S ACKNOWLEDGMENT: Buyer acknowledges receipt of a copy of Seller's written response to this Agreement. If Seller's response is an
331 acceptance of Buyer's offer that occurred after the Offer Deadline identified at Section 40 above, Buyer (select only one) agrees does not agree, to be
332 bound thereby. (The failure to check either box shall constitute rejection of Seller's acceptance after the Offer Deadline.)

333
334 Buyer _____ Date 9-18-06 _____ a.m. 5 p.m. ←
335 Buyer _____ Date 9-18-06 _____ a.m. 5 p.m. ←

336 44. CO-OP TRANSACTION:

337 Selling Firm RE/MAX Integrity _____ Selling Licensee Claudia Bailey _____

338 Listing Firm RE/MAX Integrity _____ Listing Licensee Kimberly Kellison _____

339 Selling Firm to receive: (select one) _____ % of purchase price or \$ _____

340 Listing Firm Main Office Address 4710 Village Plz Lp Ste 200 Eugene OR 97401 Phone 541-345-8100 FAX 541-

341 302-4899 _____

342 Listing Firm Principal Broker Initials/Date _____ Selling Firm Principal Broker Initials/Date _____

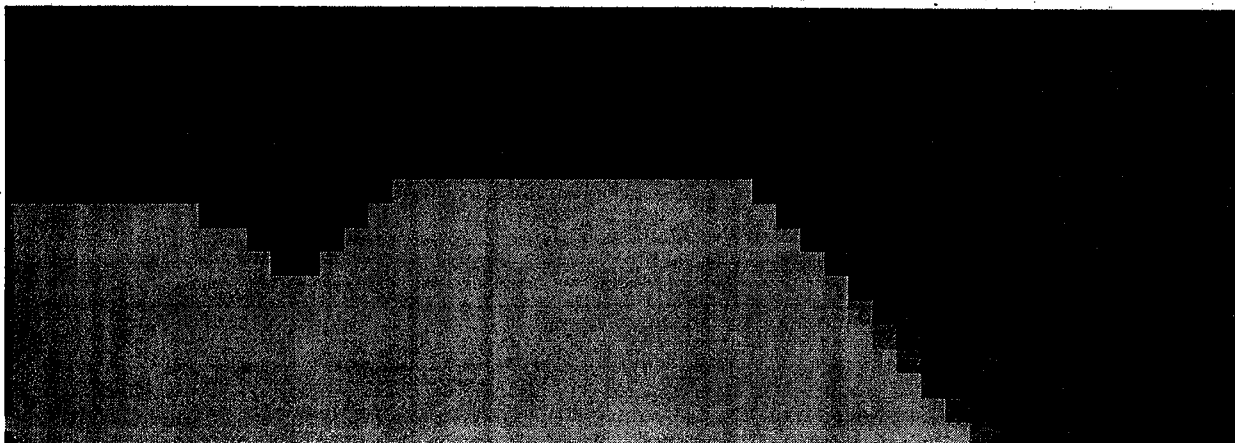
Buyer Initials / Date

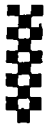
Seller Initials / Date

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REAL ESTATE SALE AGREEMENT - Page 8 of 8





National City.
Mortgage

National City Mortgage
A Division of National City Bank of Indiana
1200 Executive Parkway, Suite 250
Eugene, Oregon 97401
Telephone: 841-687-8777
Toll Free: 800-884-8387
Fax: 841-484-7434

September 18, 2006

Claudia Bailey
RE/Max Integrity
4710 Village Plaza Loop, Suite 200
Eugene, OR 97401

RE: Bruno and Darci Francia
53270 McKenzie Hwy
Blue River, OR 97413

Dear Claudia,

The purpose of this letter is to confirm that Mr. and Mrs. Francia have formally completed their loan application and that they have been Pre-Approved to purchase this property to be used as an investment property. Mr. and Mrs. Francia have been conditionally Pre-Approved directly by FannieMae, via Desktop Underwriter, its automated underwriting system, on a conventional 30 year fixed rate loan program. It is our understanding that the purchase price will be \$300,000 and that they plan to borrow no more than \$225,000. Having obtained many conventional loans for the Francia's in the past, we are confident that this loan will close smoothly as well.

This letter of Pre-Approval is based on Mr. and Mrs. Francia's application, income figures, liquid assets, and their excellent credit history, which we have already obtained. This letter of Pre-Approval is still subject to the normal prior to document conditions, including, but not limited to, a fully completed purchase agreement with addenda (if any), an acceptable preliminary title report, and a satisfactory appraisal of the subject property. We are excited that this Pre-Approval is as clean as it is at this point, and we are anxious to receive a copy of the completed purchase agreement to continue the processing of this file.

National City Mortgage can not guarantee final loan approval or closing dates due to factors beyond our control, and this letter is not to be understood or construed as final loan approval, which can only be granted after the appraisal is completed. We will make every attempt to accommodate all closing dates to the best of our ability.

Thank you for your help and consideration in this matter. Please do not hesitate to contact us if you have any additional questions. We look forward to working with you and Mr. and Mrs. Francia again, and to another smooth closing.

Sincerely,

Kyle V. Hescock
Branch Manager/Sr. Loan Officer

No one Cares More I



18-7076/2250 2496
 963046394

DATE 9/18/06

1000 \$ 1,000
 DOLLARS

PLATINUM CUSTOMER

MEMO release property

9642 #49554088 #830453994# 2496

