

**Oregon Department of State Lands  
DIRECT SALE INFORMATION  
For  
Eleven Vacant Land Parcels (some Timberlands)  
In Baker, Union, Umatilla, and Wallowa Counties**

**Sold on First-Come, First-Served Basis  
By  
5:00 P.M. December 31, 2009**

**DIRECT LAND SALE  
TERMS AND CONDITIONS**

**BACKGROUND**

The Department is offering for sale 11 parcels that did not sell at the recent March 26, 2009 auction in La Grande (See Exhibit A).

All of the proceeds from this sale will benefit the Common School Fund.

On April 14, 2009 the Oregon State Land Board authorized the sale of the 11 parcels on a first-come, first-served basis for the appraised value (as time/date stamped upon receipt in the Department of State Lands' Salem office). No offers will be accepted below the appraised value. The parcels are available under these conditions until each is sold or until 5:00 p.m. December 31, 2009.

The Oregon Department of State Lands (the Department) manages land for the State Land Board to benefit the Common School Fund (CSF) for public schools, kindergarten through 12<sup>th</sup> grades. At statehood, Oregon was granted the 16<sup>th</sup> and 36<sup>th</sup> sections of every township (or other lands if the 16 and 36 were not available) to benefit the CSF. Currently, the Department manages 778,700 acres of land.

**INFORMATION ON EACH PARCEL**

An appraisal has been completed for each parcel by a state certified appraiser. The appraisal, and additional information described in this section (the Parcel Information) is available on the Department's Web site at: <http://www.oregonstatelands.us>, or is available from the Department by mail for a \$25 preparation and mailing fee per parcel packet. Personal check, Visa or MasterCard will be accepted for the preparation fee; more information can be received by calling (503) 986-5200.

A timber cruise was performed for all parcels with marketable timber. The cruise is available with the appraisal information. Other information available includes historical

sales information, zoning information, topographical maps, easements, soil maps, and plat maps.

All land purchase forms and materials are available at the Web site or from the Department. If ordering Parcel Information from the Department, the forms will be included with the Parcel Information.

## **GENERAL**

Any person may offer to buy one or more parcels by submitting an Offer to Purchase in person or by U.S. Mail to the Department. No offers will be accepted on any unsold parcels after **5 p.m., Pacific Time, Thursday, December 31, 2009**. All offers must be in a sealed envelope containing a completed Offer to Purchase and a personal check for earnest money made payable to the Oregon Department of State Lands. Cash will not be accepted for the earnest money. The amount required as earnest money for each parcel is listed in Exhibit A. A separate Offer to Purchase and personal check must be completed for each parcel.

*There is no bidding for these parcels. Each parcel will be sold on a first-come, first-served basis. In the event the Department receives multiple offers for one parcel, the parcel will be sold to the prospective purchaser whose offer was received first (as documented by the Department's time/date stamp).*

Upon receipt of the Offer to Purchase, the Department will determine: (a) if the parcel is available for purchase; (b) if the offer is valid; and (c) if the offer meets the direct land sale terms and conditions. If the offer meets all of (a) through (c) it will be accepted for further processing by the Department and the prospective purchaser will be notified. A Land Sale Agreement or Land Sale Contract (if financing) will be sent to the prospective purchaser. The Department will deposit the earnest money check of the prospective purchaser when the offer has been accepted. If the earnest money check is returned for insufficient funds, the sale will be voided. All personal earnest money checks for unsuccessful Offers to Purchase will be returned.

## **PROPERTY INSPECTION**

Each prospective purchaser is encouraged to examine every aspect of the parcels to their satisfaction. Many of the parcels are landlocked by private property owners who should be contacted before attempting to inspect the sale property. Parcels are being sold in "AS IS" condition. Where applicable, the appraised value reflects limited access. Prospective purchasers are expected to examine potential uses of the parcels prior to purchase by consulting with the local county planning office and reviewing local land use and zoning requirements.

## **OFFER TO PURCHASE (OFFER)**

No offer will be accepted after 5:00 P.M. December 31, 2009. The Department will not be responsible for any offers received after December 31, 2009 deadline.

The minimum offer price is the listed appraised value of the parcel. No Offer will be accepted for less than the appraised value of the parcel. No Offer will be accepted if the personal check for earnest money deposit is not included with the Offer to Purchase.

### **LAND SALE AGREEMENT/CONTRACT**

Upon notification, in writing by the Department of acceptance of the Offer to Purchase, the prospective purchaser must sign a Land Sale Agreement or a Land Sale Contract (if financing) confirming the purchase price along with the terms and conditions of the sale. The Department will provide the prospective purchaser the Land Sale Agreement or a Land Sale Contract along with instructions on completing it. The Land Sale Agreement or a Land Sale Contract must be signed by the prospective purchaser and returned to the Department by the date indicated on the Department's written notification. No conditions or contingencies are allowed. Sample copies of the Land Sale Agreement or a Land Sale Contract are available online at the Department's Web site or by ordering the Parcel Information.

### **LAND SALE CONTRACT/MORTGAGE**

Any prospective purchaser desiring to finance the purchase under a land sale contract must complete an application form and include it with their Offer to Purchase. A \$750 administration fee for the Land Sale Contract must be included with the Offer to Purchase.

Most of the parcels can be sold under contract for a term of up to five years, with five annual payments and interest at the prime rate, as defined by the Federal Reserve Bank's Bank Prime Loan Rate as of the date of the submittal of the Offer to Purchase plus 2.00%. Each individual parcel description indicates the amount for which the Department will allow sale of the parcel under a contract. Contracts are available for the value of the land only, not for the value of the timber, the value of which must be fully paid to the Department at closing.

All contracts will be administered through the title company handling the closing. All contract payments will be made to the title company. When the purchaser has paid 20% of the purchase price, the title company will deliver to the purchaser upon request a certificate of sale that details the sale, the financial obligations and the real estate interest of the purchaser. When the purchaser has paid 60% of the loan amount, the purchaser may surrender the certificate of sale to the title company, in exchange for a deed and a note and mortgage for the remaining amount due.

Certificates of sale are assignable with the written consent of the Department. All assignments of certificates of sale must be executed and acknowledged in the same manner as a deed to land or real property. All requests for consent to assignment of certificates of sale must be made in writing to the Department at its Salem location. The title company will issue the deed to the assignee upon full payment of the purchase price or the remaining balance of the land sales contract and receipt of the certificate of sale.

## **CLOSING**

All sales must close according to the schedule established by the Department in consultation with the prospective purchaser. Closing must be through the title company that prepared the preliminary title report for each parcel. The prospective purchaser is financially responsible for all closing costs, including but not limited to preliminary title report fees, all fees for title insurance (if desired), closing fees, recording fees, handling of the financing payments, certificate of sale, deed and document preparation fees. Estimated closing costs may be obtained by calling the title company that prepared the preliminary title report shown in each parcel's Parcel Information.

## **REAL ESTATE AGENTS/ PERSONS REPRESENTING A PROSPECTIVE PURCHASER**

The Department is unable to pay sales commissions. A prospective purchaser may be represented by an agent if the prospective purchaser completes an Authorization for Buyer's Agent form. The form must accompany the Offer to Purchase. The form is available from the Department or at its Web site.

## **PURCHASE PRICE**

Each parcel has been appraised and if applicable, cruised for timber. The Department of State Lands will not accept any Offers to Purchase below the appraised value.

## **TITLE**

The Department will convey title to each property in fee simple, EXCEPTING subsurface minerals and geothermal rights, which will be retained by the State. Each deed will contain the following reservation clause:

“Excepting and reserving to itself, its successors, and assigns all minerals as defined in ORS 273.775 (1), including soil, clay, stone, sand and gravel, and all geothermal resources, as defined in ORS 273.775 (2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for, and removing, such minerals, materials, and geothermal resources.

In the event use of the premises by a surface rights owner would be damaged by one or more of the activities described above, then such owner, shall be entitled to compensation from state's lessee to the extent of the diminution in value of the real property, based on the actual use by the surface rights owner at the time the state's lessee conducts any of the above activities.”

All property rights are subject to existing easements, rights-of-way, conditions and restrictions of record.

The Mt. Kamela 2 parcel is subject to a permanent easement over a segment of the historic Oregon Trail present on the parcel.

A copy of the preliminary title report for each parcel is available from the Department or at its Web site.

### **OTHER CONDITIONS**

Each prospective purchaser should be satisfied concerning the physical and legal status of each parcel, as the Department makes no representations regarding these matters. The Department is not responsible for prospective purchaser's failure or inability to inspect any parcel.

The Department will not accept any Offer to Purchase that is subject to a condition or contingency, including financing approval. If a prospective purchaser is unable to complete the sales transaction within the stated time frame, the earnest money will be forfeited to the Department to help pay for the cost of the sale.

None of the parcels have been surveyed. The acreages used for the sale have been estimated through GIS mapping. The Department has made every effort to provide a reasonably accurate size measurement for each parcel, but is not responsible for inaccuracies in the size of any parcel. Similarly, the Department has relied on a number of sources for other available information and makes no guarantee or warranties for the accuracy of this information.

The prospective purchaser is responsible for surveying the parcel prior to submitting an Offer to Purchase Land, if desired.

All purchasers must be at least 18 years of age and a citizen of the United States or have declared an intention to become a citizen (ORS 273.255).

The Department reserves the right to remove a parcel from this sale or modify or add any terms and conditions of sale. Any changes will be announced on the Department's Web site.

### **INFORMATION OFFICE**

#### **Oregon Department of State Lands**

Land Management Division  
Asset Management Section  
Department of State Lands  
775 Summer St. NE, Ste. 100  
Salem, OR 97301

Phone: (503) 986-5200  
Fax: (503) 378-4844  
Hours: 8 a.m.-5 p.m., Monday-Friday  
Leave phone message anytime

## Northeast Oregon Properties Available for Direct Sale

### Baker County

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|---|---|
| <p>1. Griffin Gulch, (40 Acres)<br/>           Minimum Offer \$44,300<br/>           Minimum Earnest Money \$4,500</p>    | <p>T9S, R39E, Sect. 27, TL 3900<br/>           Financing Available to \$20,000</p>  |
| <p>2. Cottonwood Creek (80 Acres)<br/>           Minimum Offer \$62,200<br/>           Minimum Earnest Money \$6,200</p>  | <p>T11S, R37E, Sect. 36, TL 2800<br/>           Financing Available to \$45,000</p> |
| <p>3. Steep Creek (155.08 Acres)<br/>           Minimum Offer \$319,600<br/>           Minimum Earnest Money \$32,000</p> | <p>T12S, R39E, Sect. 36, TL 3600<br/>           Financing Available to \$95,000</p> |

### Umatilla County

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| <p>4. Mt. Kamela 1 (40 Acres)<br/>           Minimum Offer \$67,400<br/>           Minimum Earnest Money \$6,700</p>      | <p>T1S, R35E, Sect. 36, TL 10100<br/>           Financing Available to \$30,000</p> |
| <p>5. Mt. Kamela 2 (94.51 Acres)<br/>           Minimum Offer \$143,600<br/>           Minimum Earnest Money \$14,000</p> | <p>T1S, R35E, Sect. 36, TL 10300<br/>           Financing Available to \$75,000</p> |
| <p>6. Service Gulch (39.75 Acres)<br/>           Minimum Offer \$20,000<br/>           Minimum Earnest Money \$2,000</p>  | <p>T2N, R28E, Sect. 16, TL 2900<br/>           Financing Available to \$18,000</p>  |
| <p>7. Pine Creek (39.78 Acres)<br/>           Minimum Offer \$20,000<br/>           Minimum Earnest Money \$2,000</p>     | <p>T5N, R34E, Sect. 1, TL 100<br/>           Financing Available to \$18,000</p>    |

### Union County

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| <p>8. Bull Canyon (78.3 Acres)<br/>           Minimum Offer \$180,700<br/>           Minimum Earnest Money \$18,000</p> | <p>T1S, R38E, Sect. 21, TL 300<br/>           Financing Available to \$80,000</p>   |
| <p>9. Indian Creek (80 Acres)<br/>           Minimum Offer \$122,300<br/>           Minimum Earnest Money \$12,000</p>  | <p>T1S, R39E, Sect. 13, TL 5700<br/>           Financing Available to \$55,000</p>  |
| <p>10. Mt. Harris (80 Acres)<br/>           Minimum Offer \$260,100<br/>           Minimum Earnest Money \$26,000</p>   | <p>T1S, R39E, Sect. 36, TL 12000<br/>           Financing Available to \$45,000</p> |

### Wallowa County

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| <p>11. Fence Creek (80 Acres)<br/>           Minimum Offer \$30,000<br/>           Minimum Earnest Money \$3,000</p> | <p>T2N, R47E, Sect. 12, TL 1100<br/>           Financing Available to \$27,000</p> |
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