

From: [James Nicita](#)
To: [Pete Walter](#)
Subject: Planning Commission hearing on CP 17-02, DP 17-03, and NR 17- 04: 1743 Washington and Connectivity Issues
Date: Thursday, September 21, 2017 8:08:25 PM
Attachments: [2012-02-01 CC Minutes and Staff Repor.pdf](#)
[1991-10-23 City Commission Minutes and Commission Report 1743 Washington.pdf](#)

Hi Pete, I am re-sending with a corrected subject line. Please enter this version and the attachments into the record. Thanks, Jim.

----- Forwarded message -----

From: James Nicita <james.nicita@gmail.com>
Date: Thu, Sep 21, 2017 at 8:04 PM
Subject: 26 of 787 Planning Commission hearing on CP 17-02, DP 17-03, and NR 17- 04: 1743 Washington and Connectivity Issues
To: Pete Walter <pwalter@orcity.org>

Pete,

I write with some comments regarding the parcel owned by Historic Properties, LLC at 1743 Washington Street in Oregon City, which is part of the above-referenced land use application.

The City of Oregon City purchased this property in the early 1990s in order to implement the End of The Oregon Trail Master Plan of 1990. That plan included a realignment of Abernethy Street across the railroad track in order to provide connectivity to the Cove area, which is also part of the 1990 Master Plan.

I am attaching the City Commission minutes from October 23, 1991 regarding this matter, as well as the associated Commission Report No. 91-201 from that date. The Commission report actually includes a graphic from the 1990 End of the Oregon Trail Master Plan, which I have previously entered into the record of this proceeding.

In 2009, the Oregon City Urban Renewal Commission (URC) sold the property to Historic Properties even though it did not own the parcel. In response, in 2012 the City of Oregon City assumed the obligations of the URC. In return, Historic Properties was to grant the City at its sole discretion access easement rights for pedestrians and bicyclists through the parcel in question and adjoining parcels, in order to provide access between the train station and 17th Street.

I am attaching the minutes from the City Commission meeting and associated staff report

from February 1, 2012. a Declaration of Restrictive Covenants Affecting Real Property was supposed to be recorded regarding these public access and easement rights from the train station to 17th Street.

Without waiving any claims regarding the legality of either the URC sale of 1743 Washington Street to Historic Properties, or the 2012 assumption agreement by the City of Oregon City, I would like to make the following points for the Planning Commission's consideration:

1) Staff and the Planning Commission should check to make sure that the Declaration was actually recorded.

2) The proposed conditions of approval of this land use application do not appear to satisfy the requirement of the 2012 sale for pedestrian and bicycle access from the train station to 17th Street. Specifically, proposed condition of approval no. 26 of the August 7, 2017 staff report states:

26. The Applicant shall provide a public cross-access easement between the parcels to ensure pedestrian and vehicle access is maintained. The easement shall provide mutual access between all of the properties onsite as well as with the adjacent train station. (P)

This condition of approval does not include pedestrian and bicycle access to 17th Street. That through access was the whole point of the City agreeing to the assumption agreement in 2012. It is also important to provide linkage between the train station and the trail network that will include Abernethy Creek. It assumes even more importance due to the closure of 17th at the railroad crossing that ODOT is requiring.

3) The City purchased 1743 Washington Street to implement the Abernethy Street realignment as part of the 1990 End of the Trail Master Plan, which is incorporated by reference twice in the 1999 Downtown Community Plan, an ancillary document to the Oregon City Comprehensive Plan. This street should be dedicated up to the railroad track as part of the current land use approval process. It would bisect Phase I and Phase II of the applicant's proposal, and would allow a port-cochere as the main entrance to a hotel design without requiring an adjustment. The street dedication should preserve the possibility of continuing the street connection of Abernethy to Main Street in the future, possibly as a viaduct underneath the railroad track; for automobiles, and if not then for pedestrians and bicycles. If compliance is not demonstrated, then the land use application does not comply with the OCMC 17.65.050(C)(6).

4) The Planning Commission needs to reckon with how to provide connectivity between this area and the Cove area as part of the approval process of this land use application. With the closing of 17th Street, there is no connectivity between 15th Street and OR 213 from the End of the Oregon Trail to the Cove Area. This is contrary not only to the requirements of the 1990 End of the Oregon Trail Master Plan, but also to the 2002 Waterfront Master Plan

(also ancillary to the Oregon City Comprehensive Plan), which at p. 27 prescribes a trail from the End of the Trail Interpretive Center to the Cove precisely through the property that is the subject of this current land use application. That trail and connectivity to the Cove should be addressed as part of the current land use approval process. If compliance is not demonstrated, then the land use application does not comply with the OCMC 17.65.050(C) (6).

Please place this email and its attachments into the record of the above-referenced proceeding.

Thanks,

James Nicita

Oregon City

**CITY OF OREGON CITY
CITY COMMISSION
MEETING MINUTES**

February 1, 2012

1. **Convene Regular Meeting of February 1, 2012, and Roll Call**

Mayor Neeley called the meeting to order at 7 p.m.

Roll Call: Mayor Doug Neeley; Commissioner Betty Mumm; and Commissioner Rocky Smith, Jr.

Staff Present: David Frasher, City Manager; Ed Sullivan, City Attorney; Mike Conrad, Police Chief & Public Safety Director; Nancy Kraushaar, City Engineer & Public Works Director; Scott Archer, Community Services Director; Tony Konkol, Community Development Director; Jim Loeffler, Human Resources Director; Maureen Cole, Library Director; Nancy Ide, City Recorder; Eric Underwood, Economic Development Manager; Kelly Burgoyne, Asst. City Recorder; and Pete Walter, Associate Planner.

2. **Flag Salute**

3. **Ceremonies, Proclamations, Presentations**

4. **Citizen Comments**

Tom Geil, resident of Oregon City, discussed an email he sent to the Commission regarding what had been happening in the Park Place Neighborhood Association over the last year. He thought it had to do with replacing Nancy Walters on the Urban Renewal Commission and the controversy over the Rivers project. He encouraged the Commission to permanently vacate the Park Place Neighborhood position on the URC and restructure the Urban Renewal Commission to open the two neighborhood seats to a City-wide selection process. He felt capable to fill the URC position, but he understood the Commission's position not to choose him.

David Prideaux, resident of Oregon City, thought the issues with the neighborhoods needed to be worked out. He referred to an article in the *Oregonian* regarding citizen appointees. He explained how in May of last year a group of outsiders came in and took over the Park Place Neighborhood Association meeting. In the City Attorney's memo of December 13, the City Attorney listed two ways to fix the problem. He thought the first suggestion would work to plug the loophole and tighten the requirements for who was allowed to vote in neighborhood affairs.

Karin Morey, resident outside of Oregon City, said the Museum of the Oregon Territory had been closed for reorganizing. It would reopen on February 11 with new exhibits, crab fest, and art show.

5. **Adoption of the Agenda**

The agenda was adopted as presented with the Commission adding the second reading of Ordinance No. 12-1001 to the agenda.

6. **Public Hearings**

a. **Resolution No. 12-02: AN 11-03 - Annexation of 0.89 acres at 14362 S Maplelane Ct.**

Mayor Neeley opened the public hearing.

Pete Walter, Associate Planner, introduced AN 11-03, an annexation request for .89 acres located at 14362 S Maplelane Ct. He gave the site details of the parcel. The property was in the City's Urban Growth Boundary and no development was proposed at this time. If it was developed it would be rezoned to R-10, which would allow two more homes. The Planning Commission reviewed the proposal and voted 4-0-1 in favor of the annexation. Staff recommended the annexation be moved forward to the May 2012 election.

Ed Sullivan, City Attorney, read the hearing statement describing the hearing format and correct process for participation. He asked if the Commission had any ex parte contact, conflict of interest, bias, or statements to declare. There was none.

Tom Sisul, representing the applicant, stated the site was less than an acre and the only parcel within the block bounded by Maplelane Court, Maplelane Road, and Beaver Creek that was excluded from the City at this time. If annexed it would make a more logical and shorter boundary between the County and City. He asked the Commission to approve the annexation and send it to the voters.

Christine Kosinski, resident of unincorporated Clackamas County, was neither for or against the annexation, but was there to bring up a concern. Although the applicant was only requesting annexation at this time, the heavy traffic on Maplelane Road must be considered for future development. It was a serious safety issue in the neighborhood and she thought the voters should be aware of the traffic issues prior to making a decision on the annexation. She gave the current traffic counts from Clackamas County engineers for Maplelane performed in October 2011. This part of Maplelane Road was heavily traveled and continued development would exacerbate the situation.

Mr. Sisul stated the applicant met with the Caufield Neighborhood Association and there were no significant questions or concerns. In regard to the traffic issues, there was a traffic study prepared for this annexation and if the parcel was annexed it would be brought in as R-10 which would allow two additional dwellings. The impact of the annexation would be small and if there was a request for rezoning to a higher density, that request would have to come before the Commission and additional traffic studies would have to be done. The applicant only wished to annex the property at this time.

Mayor Neeley closed the public hearing.

Commissioner Smith asked for clarification on the \$3,500 per dwelling unit for police service.

Mike Conrad, Police Chief & Public Safety Director, said a small annexation like this one did not put a strain on the police department. The \$3,500 was something the developers agreed to voluntarily to offset the cost of police services. He would have to research how the \$3,500 figure was decided.

Commissioner Smith wanted to make sure the number was taking care of the problem. He did not feel comfortable voting on the annexation until the question was cleared up.

Motion by Commissioner Betty Mumm, second by Mayor Doug Neeley to approve Resolution No. 12-02: AN 11-03 - Annexation of 0.89 acres at 14362 S Maplelane Ct.

A roll call was taken and the motion passed with Mayor Doug Neeley, and Commissioner Betty Mumm voting aye and Commissioner Rocky Smith, Jr. voting no. [2:1:0]

7. **General Business**

a. **[Declaration of Restrictive Covenants Affecting Real Property and Assumption Agreement, Agreements entered into by Historic Properties, LLC and the City of Oregon City](#)**

Nancy Kraushaar, City Engineer and Public Works Director, gave a background on the restrictive covenants and assumption agreement for property on 1743 Washington Street. The Commission had requested requirements that would create connectivity between 17th Street and the Amtrak property. She was asking for approval of the declaration of restrictive covenants which addressed all the cross over public easements and in order to execute the declaration to approve the assumption agreement.

Mayor Neeley said the Commission had discussed these documents in Executive Session.

Tom O'Brien, resident of Oregon City, was uncomfortable that after this item was last discussed in January that the applicant and a City Commissioner and City Attorney went out after the meeting to a restaurant. He thought when someone used the threat of a law suit against the City; he did not think the parties should be socializing while the negotiations were taking place.

Commissioner Mumm said nothing was said at that gathering that could not have been said in front of the public.

Commissioner Smith was not in favor of approving this item. He thought image was everything and this did not look right.

Mr. Sullivan said he had set ground rules at the restaurant that nothing could be said.

Motion by Commissioner Betty Mumm, second by Commissioner Rocky Smith, Jr. to approve the Declaration of Restrictive Covenants affecting real property agreement between Historic Properties, LLC and the City of Oregon City and authorize the City Manager to execute the agreement as well as execute the Assumption Agreement and closing documents for the sale of the City owned property at 1743 Washington Street to Historic Properties LLC for \$175,000.

A roll call was taken and the motion passed with Mayor Doug Neeley, and Commissioner Betty Mumm voting aye and Commissioner Rocky Smith, Jr. voting no. [2:1:0]

b. **[Resolution No. 12-03: Setting an Election Date of May 15, 2012 for Planning File AN 11-01, the Annexation of 6.5 Acres into Oregon City.](#)**

Mayor Neeley said the Secretary of State vetted every ballot title from the City and there had been concerns regarding this ballot title. The issue had been resolved and was slated to be put on the May ballot.

Ms. Kosinski said the recent proposals to build the Rivers Shopping Center had doomed the full build out of the Park Place plan because two of the core values had been broken, transportation and protection of the fragile environment. She offered traffic counts that showed increased traffic on Redland Road and there was no money for more roads. The traffic would decimate Newell Canyon. The City did not need more homes, but needed jobs. She did not support the development and annexation in Park Place.

Mayor Neeley explained the public access was on Holcomb and Livesay and would make it possible for emergency access. This annexation would not have direct impact on Redland Road.

Motion by Commissioner Betty Mumm, second by Commissioner Rocky Smith, Jr. to approve Resolution No. 12-03: setting an election date of May 15, 2012 for planning file AN 11-01, the annexation of 6.5 acres into Oregon City.

A roll call was taken and the motion passed with Mayor Doug Neeley, Commissioner Betty Mumm, and Commissioner Rocky Smith, Jr. voting aye. [3:0:0]

c. **Recommendation to Approve Architect/Engineer Contract for Ermatinger House**

Scott Archer, Community Services Director, said the contract was with Architectural Resources Group to provide the final design and rehabilitation plans for the Ermatinger House. He explained why Architectural Resources Group was the unanimous choice for the project. He also discussed the ADA requirements and exemptions for historical structures.

Commissioner Smith requested he be kept in the loop regarding meetings and information on the house.

Motion by Commissioner Rocky Smith, Jr., second by Commissioner Betty Mumm to approve the contract for Architectural Resources Group for architectural and engineering services for Ermatinger House rehabilitation. The contract was not to exceed \$65,000.

A roll call was taken and the motion passed with Mayor Doug Neeley, Commissioner Betty Mumm, and Commissioner Rocky Smith, Jr. voting aye. [3:0:0]

d. **Second Reading, Ordinance No. 12-1001: An Ordinance Adopting an Update to the Oregon City Water Distribution Master Plan, an Ancillary Document to the Oregon City Comprehensive Plan, File LE 10-02**

Tony Konkol, Community Development Director, stated the first reading of the ordinance was approved on January 18, 2012.

Ms. Kraushaar said Mayor Neeley requested further review of Scenario 1, if the water rates were not rolled back and maintained a 3% annual increase. Operating expenses did remain below the revenue, but did not get the magnitude of recommended pipe replacement.

Mayor Neeley said at the Commission Retreat this was discussed and was one of the Commission's top priorities.

Motion by Commissioner Rocky Smith, Jr., second by Commissioner Betty Mumm to approve the second reading of Ordinance No. 12-1001, an ordinance adopting an update to the Oregon City Water Distribution Master Plan, an ancillary document to the Oregon City Comprehensive Plan, File LE 10-02.

A roll call was taken and the motion passed with Mayor Doug Neeley, Commissioner Betty Mumm, and Commissioner Rocky Smith, Jr. voting aye. [3:0:0]

8. **[Consent Agenda](#)**

a. **Minutes of the January 10, 2012 Work Session**

b. **Restrictive Covenant Non-remonstrance Agreement for the Aldrich (Winstead) Partition Project-City Planning File No. MP10-03**

c. **Minutes of the January 18, 2012 Regular Meeting**

Ms. Kraushaar explained the restrictive covenant non-remonstrance agreement which was an agreement of the developer that he or she could not oppose any future local improvement districts.

Motion by Commissioner Rocky Smith, Jr., second by Commissioner Betty Mumm to approve the consent agenda.

A roll call was taken and the motion passed with Mayor Doug Neeley, Commissioner Betty Mumm, and Commissioner Rocky Smith, Jr. voting aye. [3:0:0]

9. **Communications**

a. **[City Manager](#)**

David Frasher, City Manager, said the current Clackamas Fire District Chief was retiring and a new Fire Chief was hired. Eric Underwood, Economic Development Manager, had been working on exploring options for the use of the depot building. There was a new proposed House Bill that would make it easier for special service districts to form without property owners annexing into cities. Mr. Konkol would be testifying how this would encourage urban sprawl.

Ms. Kraushaar explained the four day closure of 213 Outreach Plan. There would be a public open house scheduled for February 8 to discuss the Jughandle project and 213 closure. She would also make a presentation to the Rotary Club. She then explained the Willamette Valley Collaborative Compact to work together to prepare for emergencies or disasters. It would be discussed further at the next Commission Work Session.

b. **Mayor**

Mayor Neeley said the State of the City address would be presented on February 17. He reported on the Metro Advisory Committee meeting where priorities for the committee were discussed.

c. **Commissioners**



Meeting Date: February 1, 2012

COMMISSION REPORT: CITY OF OREGON CITY

TO:	The Honorable Mayor and City Commission
FROM:	Nancy Kraushaar, City Engineer/Public Works Director
PRESENTER:	Nancy Kraushaar, City Engineer/Public Works Director
SUBJECT:	Declaration of Restrictive Covenants Affecting Real Property and Assumption Agreement
Agenda Type: General Business	
Approved by: David Frasher, City Manager	

RECOMMENDED ACTION (Motion):

Move to approve the Declaration of Restrictive Covenants Affecting Real Property agreement between Historic Properties, LLC and the City of Oregon City and authorize the City Manager to execute the agreement as well as execute the Assumption Agreement and closing documents for the sale of the City-owned property at 1743 Washington Street to Historic Properties, LLC for \$175,000.

BACKGROUND:

Historic Properties, LLC (HP) is party to the Acquisition, Disposition, and Development Agreement between HP and the Oregon City Urban Renewal Agency (URA) in which HP was granted an option to purchase the property located at 1743 Washington Street (the Property) (August 2009). HP and the URA are also both party to an Option Agreement and Agreement of Purchase and Sale for the Property (September 2009).

It was later observed by City staff that the URA does not own the Property and therefore is not party to agreements affecting the Property. The City Commission may maintain the understandings of such agreements by assuming the URA's commitments by executing the attached Assumption Agreement*.

The City Commission has expressed interest in assuming the URA commitment to the Option Agreement and an Agreement of Purchase and Sale for the Property (the Property at 1743 Washington Street) if certain easements providing connectivity between the Amtrak Station and 17th Street are assured by HP. Such connectivity could be significant for all travel modes in the future. The City Commission and the City Engineer/Public Works Director have also asserted that such connectivity could allow access control for driveways on Washington Street and preserve capacity and operations on this important arterial route.

The subject Declaration of Restrictive Covenants Affecting Real Property (attached*) seeks to address the City Commissions interests and allow for HP to purchase the Property according to previous agreements with the URA.

Staff notes that the sale amount is \$175,000 according to the previous agreements. Records show that the Property was originally acquired by the Street Fund for a future roadway connection identified in a former Transportation Master Plan Capital Improvement Plan (CIP) as the Abernethy Road Extension. This project is no longer considered viable or part of the CIP. The revenue from the sale will be deposited to the Street Fund.

In the near future, the City should seek a public easement over the Amtrak property. Currently, an access easement exists that primarily benefits 1743 Washington Street. The desired connectivity will be complete with an easement that benefits the public and is not limited to the property at 1743 Washington Street.

BUDGET IMPACT:

FY(s): 2011-12

Funding Source: n/a (will be Street Fund Revenue)

ATTACHMENTS:

*Attachments to be provided after City Commission review in Executive Session prior to their Regular Meeting

**ASSUMPTION AGREEMENT
(Option Agreement)**

PARTIES: HISTORIC PROPERTIES, LLC ("HPLLC")
CITY OF OREGON CITY (the "City")

RECITALS

A. On or about September 29, 2009, HPLLC executed an Option Agreement and Agreement of Purchase and Sale, a copy of which is attached hereto (the "Option Agreement"), with respect to certain real property described therein and commonly known as 1743 Washington Street, Oregon City, OR 97045 (the "Property"). The Option Agreement was with the Oregon City Urban Renewal Agency (the "Agency"). Under the terms of the Option Agreement, the Agency purported to grant HPLLC an option to purchase the Property, subject to the terms thereof.

B. HPLLC notified the Agency that it is exercising its option to purchase the Property pursuant to the terms of the Option Agreement.

C. The Parties to this Agreement recently learned that title to the Property is vested in the City, not in the Agency. Accordingly, the City has been requested to assume the Agency's obligations under the Option Agreement to consummate the sale of the Property to HPLLC in accordance with the terms of the Option Agreement.

D. The City is willing to assume the obligations of the Agency under the Option Agreement, subject to the terms of this Agreement and a Declaration of Restrictive Covenants to be executed at or about the same date.

AGREEMENT

The parties agree as follows:

1. **Recitals.** HPLLC and the City acknowledge and agree the foregoing recitals are accurate and correct.

2. **Assumption by the City.** The City hereby assumes and agrees to perform, from and after the Effective Date (as defined below), all of the obligations arising under the Option Agreement, but only to the extent that such obligations are required to be performed after the Effective Date and do not relate to any failure to perform, improper performance, warranty or other breach or default by the Agency under the Option Agreement on or prior to the Effective Date. Moreover, upon and as of the recording of the deed conveying title in the Property from the City to HPLLC, the provisions of the Option Agreement with respect to "Conditions Precedent," "Covenants of Owner," and "Warranties and Representations of Owner" (other than any warranties of title) shall be deemed waived or fulfilled, as appropriate, on behalf of HPLLC as option holder and buyer, and HPLLC shall have no claim against the City with respect to any of them. However, the provisions of Section 13.3 of the Option Agreement ("AS IS Sale") shall remain in effect, and the Property is being conveyed AS-IS, WHERE-IS in its present condition, including all defects.

3. **Assignment by HPLLC.** HPLLC hereby assigns to the City any and all rights, claims, or causes of action that it might have against the Agency related to the Option Agreement in exchange for the City's willingness to assume the obligations of the Agency under the Option Agreement.

~~4. Further Actions.~~ Each of the parties hereto covenants and agrees, at its own expense, to execute and deliver, at the request of the other party hereto, such further instruments of transfer and assignment and to take such other action as such other party may reasonably request to more effectively consummate the assumption contemplated by this Agreement.

5. Miscellaneous Provisions.

5.1 Waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

5.2 Binding Effect. All rights, remedies and liabilities herein given to or imposed upon the parties shall extend to, inure to the benefit of and bind, as the circumstances may require, the parties and their respective successors and assigns.

5.3 Amendment. This Agreement may not be amended, modified or changed, nor shall any provision hereof be deemed waived, except only by an instrument in writing signed by the party against whom enforcement of any such waiver, amendment, modification or change is sought.

5.4 Severability. If any portion of this Agreement or its application is construed to be invalid, illegal or unenforceable, then the other portions of the Agreement or its application thereof shall not be affected thereby and shall be given full force and effect without regard to the invalid or unenforceable portions.

5.5 Authorization. The parties signing below represent and warrant that (i) the execution, delivery and performance of this Agreement has been duly authorized by all requisite action of the entity on whose behalf they are signing, (ii) they have all requisite authority to bind the entity on whose behalf they are signing, and (iii) this Agreement constitutes a valid and binding contract of the entity on whose behalf they are signing enforceable in accordance with its terms.

5.6 Governing Law. This Agreement, and its formation, operation and performances, shall be governed, construed and enforced in accordance with the laws of the State of Oregon, without regard to its conflict of law principles.

5.7 No Third-Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the parties to this Agreement or their permitted assignees, any right or remedy of any nature whatsoever.

5.8 Captions. The caption headings of the sections and subsections of this Agreement are for convenience of reference only and are not intended to be, and should not be construed as, a part of this Agreement.

5.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

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5.10 Effective Date. The Effective Date of this Agreement shall be the latest date set forth below that the Agency or the City executes this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate on the day and year first above written.

HPLLC:

CITY:

HISTORIC PROPERTIES, LLC, an Oregon
limited liability company

CITY OF OREGON CITY

By: _____

By: _____

Title: _____

Title: _____

**OPTION AGREEMENT
AND
AGREEMENT OF PURCHASE AND SALE**

EFFECTIVE DATE: September 29, 2009

OWNER: OREGON CITY URBAN RENEWAL AGENCY

OPTIONEE: HISTORIC PROPERTIES LLC

RECITALS

Owner owns fee simple title to the real property described in Exhibit A attached hereto, together with all improvements situated on it. The real property and improvements, together with all other rights, hereditaments, and tenements appurtenant to the real property and improvements, are collectively referred to herein as the "Property."

Optionee desires to acquire an option to purchase the Property on the terms and conditions herein stated.

Owner has agreed to grant Optionee an exclusive option to purchase the Property, and the parties desire to evidence their agreement regarding the option.

The parties therefore agree as follows:

AGREEMENT

Section 1. Grant of Option

Owner, in consideration of the sum of \$1.00 paid to Owner by Optionee in cash, and other good and valuable consideration, receipt of which is acknowledged by Owner, grants to Optionee the sole and exclusive option to purchase the Property (the "Option") in the manner and for the price stated in this Agreement.

Section 2. Option Terms

2.1 Term. The initial term of the Option (the "Term") commences on the Effective Date and will continue for a period of two (2) years.

2.2 Exercise of Option. The Option must be exercised, if at all, by written notice (the "Exercise Notice") given by Optionee to Owner at any time during the Term stating that Optionee has elected to exercise the Option. The Option may be exercised only with respect to the entire Property, and nothing contained herein will be construed as permitting Optionee to

purchase less than all of the Property under this Option. Upon exercise of the Option, Optionee will be obligated to purchase the Property from Owner, and Owner will be obligated to sell the Property to Optionee, for the price and in the manner herein set forth.

2.3 Failure to Exercise Option. If Optionee fails for any reason to exercise the Option in the manner set forth herein, Optionee will have no further claim against or interest in the Property or any Option Money, unless Optionee is entitled to a refund of the Option Money under another provision of this Agreement. In the event of the failure to exercise the Option, Optionee will provide Owner with any instruments that Owner reasonably deems necessary for the purpose of removing from the public record any cloud on title to the Property that is attributable to the grant or existence of the Option.

Section 3. Payment Upon Exercise of Option.

Contemporaneously with Optionee's exercise of the Option by the giving of the Exercise Notice, Optionee will pay Owner, through the Escrow at the Title Company described in Section 8.1 below, the cash sum of \$5,000.00 (the "Option Money"). The Option Money payment will be credited against the Purchase Price.

Section 4. Purchase Price

4.1 Purchase Price. The purchase price for the Property (the "Purchase Price") will be \$170,000.00, if the Closing occurs within one (1) year after the effective date of this Agreement. The Purchase Price will be \$175,000.00 if the Closing occurs thereafter.

4.2 Payment of Purchase Price. The entire balance of the Purchase Price for the Property will be paid in cash at closing. Optionee will be given credit toward the Purchase Price for the Option Money paid.

Section 5. Remedies

5.1 Optionee. If Owner breaches any term or provision of this Agreement, then Optionee, as its exclusive remedy and in lieu of any other relief, may either (1) terminate this Agreement and obtain the return of all Option Money previously paid to Owner or (2) tender performance of the obligations of Optionee and specifically enforce all obligations of Owner under this Agreement. Except as noted in Section 5.3 and any specific remedies reserved elsewhere in this Agreement, Optionee waives the right to pursue any remedy in law or equity against Owner other than the remedies specified above, including any action for damages, in the event of a default by Owner.

5.2 Owner. If Optionee breaches any term or provision of this Agreement, and regardless of whether the breach occurs before or after Optionee notifies Owner of the exercise of the Option, then Owner, as its exclusive remedy and in lieu of any other relief, will be entitled to terminate this Agreement by giving Optionee written notice of termination and to retain the Option Money Payment paid by Optionee. Owner acknowledges (1) the adequacy of this exclusive remedy and (2) that this limitation of remedies is an essential part of this Agreement from the perspective of Optionee. Except as noted in Section 5.3 and any specific remedies reserved elsewhere in this Agreement, Owner expressly waives the right to pursue any other right or remedy in law or equity other than the remedy specified above, including the right of specific performance and the right to sue for damages, in the event of a default by Optionee. Optionee and Owner have established the foregoing remedy in favor of Owner because of the difficulty

and inconvenience of ascertaining the actual damages Owner may suffer as a result of a breach of this Agreement by Optionee.

5.3 Other Remedies. The limitations on remedies set forth in this section do not apply to any cause of action accruing after Closing or preclude either party from seeking or obtaining injunctive relief or from seeking recovery against the other under any contractual indemnity set forth herein or for causing physical damage or injury to persons or property.

Section 6. Conditions Precedent to Closing

In addition to any other conditions contained in this Agreement, set forth below are certain conditions precedent for the benefit of Optionee (the "Conditions"). The Conditions are intended solely for the benefit of Optionee and Optionee will have the right to waive, by written notice, any of the Conditions, at its sole discretion; giving the Exercise Notice will not constitute such a waiver. If any Condition is not satisfied or waived on or before the deadline for satisfaction specified herein, then Optionee will have the right to terminate this Agreement, at its sole election, by giving Owner notice of termination before the deadline expires, to obtain the return of the Option Money, and to exercise any remedy available to Optionee if the subject Condition was not satisfied by reason of a breach of this Agreement by Owner. If Optionee does not give Owner notice of termination before the applicable deadline, then Optionee will be deemed to have waived the termination privilege with respect to the Condition in question. The Conditions specifically delineated in this section are the following:

6.1 On the Closing Date, the Title Company (defined below) will be ready, willing, and able to issue, and will issue to Optionee on recordation of the Owner's deed mentioned below, the title insurance policy required by Section 8.5.

6.2 On or before the Closing Date, Owner will have performed all the covenants, conditions, agreements, and promises to be performed by it under this Agreement.

6.3 60 days before closing, Optionee will have conducted an environmental review and audit (the "Environmental Audit") of the Property and concluded to the satisfaction of Optionee that the Property does not contain, either on its surface or in its subsurface or underlying water table, any Hazardous Substances (defined in Section 13.1.4). The Environmental will be conducted subject to the terms of Section 11.1 below.

6.4 60 days before closing, Optionee will have obtained an American Land Title Association (ALTA) survey of the Property (the "Survey") from a surveyor acceptable to Optionee, indicating to Optionee's satisfaction that (1) there are no discrepancies in the boundaries of the Property, (2) there are no material encroachments on, or protrusions from, the Property, (3) the Property has acceptable access to a dedicated public right-of-way, (4) the Property contains at least 6.8 acres, and (5) the Property does not lie within any area designated as wetlands by any governmental agency or any area determined by the federal government or any governmental agency to be flood-prone or subject to a flood hazard.

Section 7. Title

Within 30 days following the Effective Date, Owner will deliver to Optionee, at Owner's expense, a preliminary title report (the "Title Report") covering the Property. The Title Report will be issued by the Title Company (defined in Section 8.1). The Title Report will be accompanied by legible copies of all plats and exceptions to title referenced in the Title Report (the "Exceptions"). Within 45 days of receiving the Title Report and the Exceptions, Optionee

will give written notice (the "Initial Notice") to Owner of the Exceptions that Optionee will require Owner to remove of record at or before Closing (the "Unacceptable Exceptions"). If Optionee fails to give Owner the Initial Notice, then Optionee will be deemed to have approved the Title Report. Owner has 10 days following receipt of the Initial Notice to give written notice (the "Reply Notice") to Optionee of those Unacceptable Exceptions that Owner concludes, in good faith, that Owner cannot or will not remove at or before Closing. Owner will not have any obligation to institute litigation or spend any sum of money to cure or remove any Exceptions, but Owner will be obligated to remove, at or before Closing, any Exception created or suffered to be created by Owner that is security for payment of a sum of money (including mortgages, deeds of trust, tax liens, contractor's liens, and judgment liens) and any Exception created, or suffered to be created, by Owner after the Effective Date. Owner agrees to remove all Unacceptable Exceptions not referenced in a duly given Reply Notice. If one or more of the Unacceptable Exceptions cannot be removed at or before Closing and Owner so states in a duly given Reply Notice, then Optionee may exercise any of the following rights by giving written notice to Owner within 15 days of receiving the Reply Notice: (1) Optionee may terminate this Agreement, in which event the Option Money will be refunded to Optionee and neither party will have any further liability, (2) Optionee may accept title to the Property subject to the Unacceptable Exceptions, or (3) Optionee may attempt to cure the Unacceptable Exceptions or any of them without cost or liability to Owner (but Owner will be obligated to cooperate with the cure efforts and to join in the execution of any curative instruments that will operate to remove the Unacceptable Exceptions). The foregoing rights of Optionee will not be deemed waived by giving the Exercise Notice. Exceptions that are shown on the Title Report and to which Optionee does not object or to which Optionee agrees, in writing, to waive objection, are referred herein to as the "Permitted Exceptions."

Owner will not cause, permit, or suffer any matter to be recorded with respect to the Property during the Term, except (1) the Memorandum referenced in Section 14 and (2) any other matter that Optionee approves, in writing and at its sole discretion, before recordation.

Section 8. Closing

8.1 Time and Place. Closing of the sale and purchase of the Property (the "Closing") will occur on a date (the "Closing Date") selected by Optionee, but in all events the Closing will occur within 45 days after the date that the Exercise Notice is given. The escrow for the Closing will be established at the office of First American Title Insurance Company of Oregon in Clackamas, Oregon.

8.2 Closing Obligations. On the Closing Date, Owner and Optionee will deposit the following documents and funds in escrow, and the Title Company will close escrow in accordance with the instructions of Owner and Optionee.

8.2.1 Owner will deposit the following:

- (1) The conveyance documents described in Section 9, duly executed and acknowledged;
- (2) A duly executed affidavit certifying that Owner is not a foreign person, trust, partnership, or corporation in compliance with the requirements of IRC §1445(b);
- (3) Original counterparts or legible photocopies of all documents, feasibility studies, surveys, engineering reports, and other items of a similar nature in the possession of Owner that relate to the Property;

(4) Such documents as Optionee or the Title Company may require to evidence the authority of Owner to consummate this transaction; and

(5) Such other documents and funds, including (without limitation) escrow instructions, that are required of Owner to close the sale in accordance with this Agreement.

8.2.2 Optionee will deposit the following:

(1) The cash payment specified in Section 4, minus any credits due Optionee under the terms of this Agreement;

(2) Any documents that Owner or the Title Company may require to evidence the authority of Optionee to consummate the transaction contemplated; and

(3) Any other documents and funds, including (without limitation) escrow instructions, that are required of Optionee to close the sale and purchase of the Property in accordance with this Agreement.

8.3 **Costs.** Optionee and Owner each will pay one-half of the escrow fee of the Title Company with respect to the Closing. Owner will pay the premium for the title insurance policy that Owner is obligated to provide to Optionee, and Owner will pay all conveyance or excise taxes payable by reason of the purchase and sale of the Property. Optionee will pay the fee (exclusive of any conveyance or excise tax) for recording the conveyance documents referred to herein.

8.4 **Prorations.** All items of expense incurred by Owner with respect to the Property will be paid by Owner at Closing, without proration. All real property taxes and assessments payable with respect to the tax year in which Closing occurs will be prorated between Owner and Optionee as of the Closing Date.

8.5 **Title Insurance Policies.** As soon as practicable after Closing, and in any event no later than 30 days after the Closing Date, Owner will cause the Title Company to issue its standard form Owner's ALTA Title Insurance Policy, in the amount of the Purchase Price, insuring fee simple title to the Property is vested in Optionee, subject only to the Permitted Exceptions and the standard printed exceptions.

Section 9. Conveyance

At the Closing, Owner will execute, acknowledge, and deliver to Optionee a Statutory Warranty Deed conveying the Property to Optionee, subject only to the Permitted Exceptions.

Section 10. Possession

Optionee will be entitled to exclusive possession of the Property on and after the Closing Date.

Section 11. Access to Property

11.1 **Access.** Owner grants to Optionee and its agents the right to enter on the Property at any reasonable times before the Closing Date for the purpose of conducting tests or studies that Optionee may deem necessary or appropriate in connection with its acquisition of the Property. Owner will cooperate with Optionee in making the tests and studies. No soil tests or drilling will be undertaken without first obtaining Owner's approval with respect to the agents retained to perform the work and the location and purpose of the tests or drilling. Owner may require that all persons performing tests or drilling on the Property maintain liability insurance reasonably acceptable to Owner and that such policy name Owner as an additional insured. Optionee will

not interfere with or disturb the rights of any tenants of Owner in possession of any portion of the Property. Optionee will protect, defend, and hold Owner harmless from any loss, liability, or damage to persons or property arising out of or related to Optionee's activities on the Property. If Optionee fails to exercise the Option and purchase the Property, Optionee will fully compensate Owner for any physical damage to the Property or any lien, encumbrance, or charge on it attributable to Optionee's activities under this paragraph. If Optionee fails to exercise the Option, Optionee will deliver to Owner a legible copy of any reports, studies, and drawings owned by Optionee that relate to the Property.

11.2 Approvals. Optionee has the right to apply for and obtain any governmental approvals to use and develop the Property as Optionee may desire. Owner will assist and cooperate with Optionee in obtaining any such approvals. Such cooperation includes (without limitation) signing all applications and other documents requested by Optionee that may be reasonably related to such matters, as long as Owner approves the form and substance of all such documents. All costs and expenses incurred with respect to such approvals will be paid for by Optionee.

Section 12. Covenants of Owner

Owner acknowledges that the covenants of Owner contained in this Agreement, including the covenants contained in this Section 12 (the "Covenants"), are material inducements to Optionee to enter into this Agreement. The Covenants specifically delineated in this section are the following:

12.1 Information. Owner agrees to deliver to Optionee, within 20 days after the Effective Date, photocopies of all documents related to the use or ownership of the Property that Owner possesses, including (without limitation) all studies, reports, aerial photographs, and other documents of a like nature.

12.2 Maintenance. Before the Closing Date, Owner will maintain the Property in the same condition as it now exists, ordinary wear and tear excepted, and will not cause or permit any waste.

12.3 Ownership. During the Term, Owner will not sell, contract to sell, assign, lease (other than a lease that may be terminated upon thirty (30) days notice), or otherwise transfer the Property or any part of it, nor grant an option, nor grant an easement, license or other similar right to any third party with respect to all or any portion of the Property.

Section 13. Warranties and Representations of Owner

13.1 Warranties. Owner acknowledges that the warranties and representations of Owner contained in this Agreement, including the warranties and representations contained in this section (the "Warranties"), are material inducements to Optionee to enter into this Option Agreement. All Warranties, and Optionee's right to assert a breach of them, survive execution of this Agreement and shall survive for a period of six (6) months after the Closing. If, before Closing, Optionee discovers or is advised that any of the Warranties was untrue when made, then Optionee will have the option to either (1) terminate this Agreement and obtain the return of all Option Money paid, without waiving any cause of action that Optionee may be entitled to assert against Owner by reason of the breach of the Warranty, or (2) continue this Agreement, without waiving any cause of action that Optionee may be entitled to assert against Owner by reason of the breach of the Warranty. If, within six (6) months after Closing, Optionee discovers or is

advised that any of the Warranties was untrue when made, then within such 6-month period Optionee may pursue any remedy available to Optionee at law or in equity by reason of the breach of the Warranty. Owner warrants and represents to Optionee that the following matters are true and correct:

13.1.1 No Condemnation or Assessment Proceedings. There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property, or any part of it and, to the knowledge of Owner, no such proceeding is contemplated by any governmental entity.

13.1.2 Litigation; Law. There is no litigation, arbitration, or administrative hearing pending before any governmental authority that concerns or affects the Property or any portion of it and, to the knowledge of Owner, no such proceeding is threatened. To the knowledge of Owner, the Property complies with all laws, ordinances, and governmental approvals and decisions that relate to it.

13.1.3 Access and Site Conditions. Owner warrants and represents to Optionee that, to the knowledge of Owner, the Property has unimpeded access to Washington Street, which is a dedicated public street. Owner has no knowledge of any pending changes in land use designation (comprehensive plan or zoning ordinance) that apply to the Property. To the knowledge of Owner, there are no material encroachments onto the Property.

13.1.4 Hazardous Substances. For purposes of this subsection, the phrase "Hazardous Substances" has the same meaning attributed to it in ORS 465.200(16). Owner warrants, represents, and covenants as follows:

(1) To the knowledge of Owner, there are no Hazardous Substances in, on, or buried on or beneath the Property, and no Hazardous Substances have been emitted or released from the Property in violation of any applicable laws;

(2) Owner has not brought onto, stored on, buried on, used on, emitted or released from, or allowed to be brought onto, stored on, buried on, used on, or emitted or released from, the Property any Hazardous Substances in violation of any applicable environmental laws; and

(3) To the knowledge of Owner, no underground storage tanks are located on the Property, including (without limitation) any storage tanks that contain, or previously contained, any Hazardous Substances, and Owner agrees not to cause or permit any such tanks to be installed in the Property before Closing.

13.1.5 Status of Owner. Owner is not a foreign person, foreign partnership, foreign corporation, or foreign trust, as those terms are defined in IRC §1445.

13.1.6 Breach of Agreements. Neither the execution of this Agreement, nor the execution, delivery, or recordation of any document or agreement referenced herein, nor the exercise of the Option and closing of the transaction contemplated herein, constitutes or will constitute a default under any other agreement or contract that relates to the Property or to which Owner is a party.

13.1.7 Authority. No consents, documents, or approvals that have not been obtained are necessary to the effectiveness of the grant of the Option by Owner.

13.1.8 Contracts and Leases. There are no lease agreements, maintenance contracts, service agreements, or other contracts of any nature that pertain to, cover, or affect the Property or any part of it that cannot be terminated upon thirty (30) days prior notice.

As used herein, the phrase "to the knowledge of Owner" or any variation of that phrase refers to matters within the actual knowledge of Nancy Kraushaar or Owner and do not include

constructive or imputed notice or knowledge; and the use of that phrase does not imply that Nancy Kraushaar or Owner has undertaken any special inquiry or investigation with respect to the representation modified by the phrase, unless circumstances within the actual knowledge of Nancy Kraushaar or Owner would warrant a reasonable person to undertake further inquiry when presented with similar circumstances.

13.2 Changed Conditions. If Owner discovers that one or more of the Warranties or one of the conditions referred to in the Warranties has changed after this Agreement is executed, through no fault of Owner, Owner will immediately inform Optionee, in writing, of that discovery. If the changed condition or Warranty cannot be cured within 10 days of the date Owner discovers the change, then Optionee may terminate this Agreement (and its exercise of the Option, if any) by giving written notice of termination to Owner within 15 days after receiving the notice from Owner, and all Option Money previously paid by Optionee will be returned to Optionee. If the changed condition or Warranty can be corrected within 10 days after discovery by Owner, Optionee will not have the right to terminate this Option Agreement under this section and Owner will correct the changed condition or Warranty within 10 days of the discovery. If Owner does not correct the changed condition or Warranty within such 10-day period, then Optionee may terminate this Agreement (and its exercise of the Option, if any) by giving written notice of termination to Owner within 15 days after receiving the notice from Owner, and all Option Money previously paid by Optionee will be returned to Optionee. A change caused by Owner is deemed to be a breach of this Agreement by Owner if the change materially and adversely affects the Property or Optionee's rights.

13.3 AS IS Sale. Optionee acknowledges and agrees that except as provided in this Section 13, Owner makes no warranties or representations with respect to the Property and the Property will be transferred and conveyed by Owner AS-IS, WHERE-IS in its present condition, including all defects.

Section 14. Recording

On the Effective Date, Owner will execute, acknowledge, and deliver to Optionee a Memorandum in the form attached as Exhibit B which may be recorded at Optionee's election and expense. If Optionee fails to exercise the Option before the Term expires, Optionee will execute, acknowledge, and deliver to Owner a statutory quitclaim deed releasing any interest in the Property.

Section 15. Waiver

Failure by Owner or Optionee to enforce any right under this Agreement will not be deemed to be a waiver of that right or of any other right.

Section 16. Successors and Assigns

Subject to the limitations on Owner's right to convey the Property set forth elsewhere herein, the terms, covenants, and conditions herein contained are binding on and inure to the benefit of the heirs, successors, and assigns of Owner and Optionee. Optionee may assign its interest in this Option Agreement and the Property to any person or entity, without the consent of Owner. If an assignee assumes the obligations of Optionee hereunder, then Optionee will have no further liability with respect to this Agreement.

Section 17. Notices

All notices required or permitted to be given will be in writing and will be deemed given and received on personal service or two business days after deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To Owner: Oregon City Urban Renewal Agency
Attn: Larry Patterson
PO Box 3040
Oregon City, OR 97045

To Optionee: Historic Properties LLC
Attn: Dan Fowler
505 15th Street
Oregon City, OR 97045

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above will be effective when received by the party for whom it is intended.

Section 18. Attorney Fees

If litigation is instituted with respect to this Agreement the prevailing party will be entitled to recover from the losing party, in addition to all other sums and allowable costs, its reasonable attorney fees, both in preparation for and at trial and any appeal or review, the amount to be set by the court before which the matter is heard.

Section 19. Real Estate Commission

Each party represents to the other that they have not employed a real estate broker in this transaction and that the parties have directly negotiated with one another. Each party hereto agrees to indemnify the other party against any claims for commissions or fees asserted by any broker claiming by, through, or under the indemnifying party.

Section 20. Risk of Loss

Owner bears the risk of all loss or damage to the Property from all causes, through the Closing Date. If, before the Closing Date, and regardless of whether the Exercise Notice has yet been given or is subsequently given, all or part of the Property is damaged by fire or by any other cause of any nature or if all or any portion of the Property is taken by condemnation, or if any condemnation is threatened, Owner must give Optionee written notice of such event. Optionee may terminate this Agreement by giving written notice to Owner within 15 days after receipt by Optionee of written notice from Owner of such casualty or condemnation, and Owner will return to Optionee the Option Money Payments previously paid. If Optionee does not elect to terminate this Agreement, then this Agreement will continue in force and, if Optionee exercises the Option and the Property is conveyed to Optionee, then all interest of Owner in and to any insurance proceeds or condemnation awards that may be payable to Owner on account of the casualty or condemnation will be assigned to Optionee at Closing.

Section 21. Integration, Modification, or Amendments

This Agreement contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Agreement must be approved by Owner and Optionee, in writing.

Section 22. Representation

Owner and Optionee have each been represented by separate legal counsel of choice with respect to this transaction. Except as otherwise provided in Section 18, each party will be responsible for all attorney fees incurred by it with respect to this Agreement.

Section 23. Counterparts; Pronouns

This Agreement may be executed in one or more counterparts, all of which will be considered one and the same Agreement and will be effective when one or more counterparts have been signed and delivered by Owner and Optionee. With respect to any pronouns used, each gender used includes the other gender and the singular and the plural, as the context may require.

Section 24. Governing Law; Interpretation

This Agreement is governed by the laws of Oregon. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, Owner and Optionee intend that (1) that portion of this Agreement be enforced to the extent permitted by law and (2) the balance of this Agreement remain in full force and effect.

Section 25. Time Is of the Essence

Time is of the essence of this Agreement.

Section 26. Authority to Execute

Each person executing this Agreement on behalf of Owner and Optionee, respectively, warrants his or her authority to do so.

Section 27. Statutory Disclaimer

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

ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

Section 28. Confidentiality

Owner and Optionee and their agents, accountants, lawyers, and consultants will treat this Agreement and all information obtained or exchanged in connection with it as confidential and will not disclose the terms of this Agreement or any information relating to it to any person other than the consultants and the entities engaged to assist in the consummation of this Agreement, such as the Title Company. If the Option is not exercised, then Optionee must return to Owner all documents and information delivered to Optionee by Owner. Nothing contained herein operates to prevent or limit the right of Owner or Optionee to disclose the terms of this Agreement or any other information relating to it in conjunction with any litigation, land use proceeding, or other proceeding instituted with respect to this Agreement or the Property.

Section 29. Consents

The parties agree to act in good faith and with fair dealing with one another in the execution, performance, and implementation of the terms and provisions of this Agreement. Whenever the consent, approval, or other action of a party is required under any provision of this Agreement, the consent, approval, or other action will not be unreasonably withheld, delayed, or conditioned by a party unless the provision in question expressly authorizes the party to withhold or deny consent or approval or decline to take action in accordance with a different standard, in which case the consent or approval or the decision to not take action may be withheld, delayed, or conditioned in accordance with the different standard. (Any provision indicating that consent is not to be unreasonably withheld is to be interpreted to mean that consent will not be unreasonably withheld, delayed, or conditioned.)

Executed on the day and year first above written.

OWNER: OREGON CITY URBAN RENEWAL AGENCY

By: 

Name: Larry Patterson, City Manager

Title: Executive Director

OPTIONEE: HISTORIC PROPERTIES LLC

By: 

Name: Dan Fowler

Title: Member Manager

EXHIBIT A

Property

Note: Legal description to be included with final document when recorded.

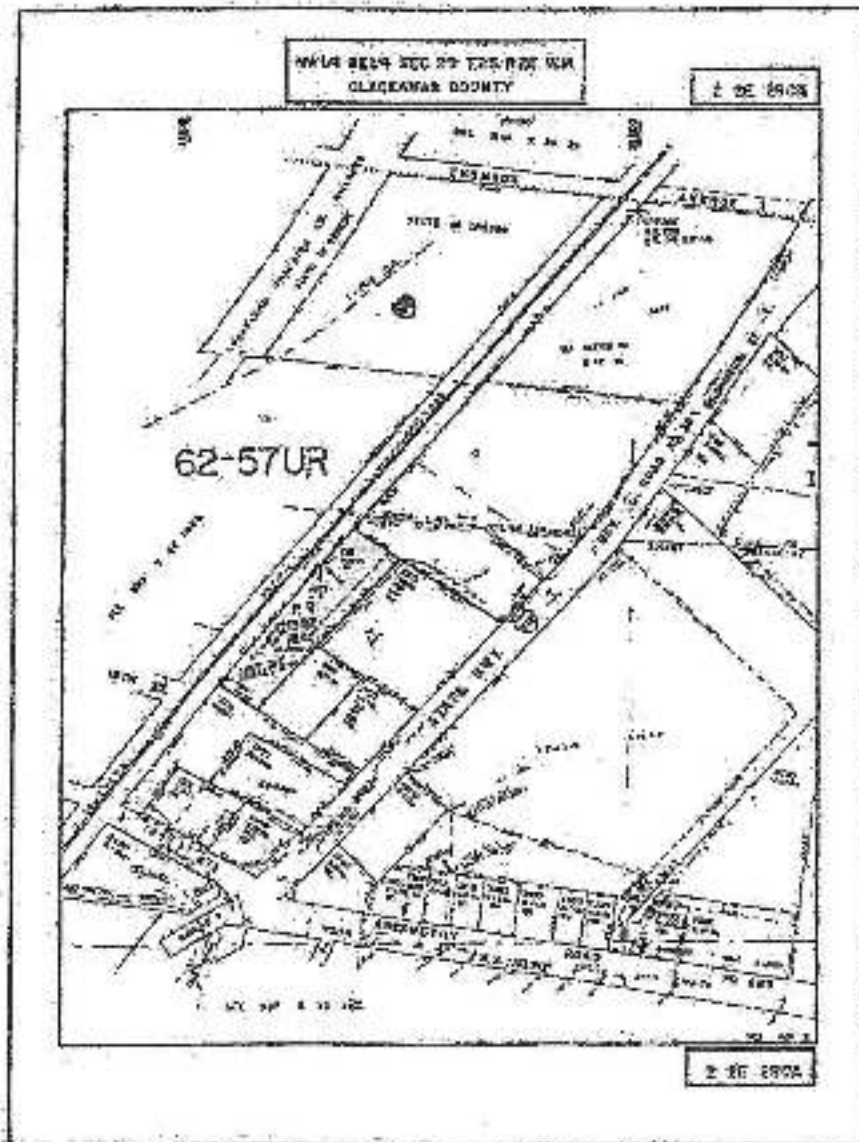




EXHIBIT B

Form of Memorandum

After recording return to:
HISTORIC PROPERTIES LLC
606 15th Street
Oregon City, Oregon 97045

**MEMORANDUM OF OPTION AGREEMENT
AND AGREEMENT OF PURCHASE AND SALE**

OREGON CITY URBAN RENEWAL AGENCY ("Owner"), and HISTORIC PROPERTIES LLC, an Oregon limited liability company ("Optionee"), have entered into an Option Agreement and Agreement of Purchase and Sale dated September 29, 2009 (the "Option Agreement"), wherein Owner has granted to Optionee the sole and exclusive option to purchase the property described in Exhibit A. The term of the option will expire on September 30, 2011.

This Memorandum is being executed and recorded in the Official Records of Clackamas County, Oregon, to give notice of the provisions of the Option Agreement and will not be deemed or construed to define, limit, or modify the Option Agreement in any manner.
Executed as of September 29, 2009.

**OWNER: OREGON CITY URBAN
RENEWAL AGENCY**

**OPTIONEE: HISTORIC
PROPERTIES, LLC**

By: 

Name: Larry Patterson

Title: Executive Director

By: 

Name: Dan Fowler

Title: Member Manager

STATE OF OREGON)
) ss.
County of Clackamas)

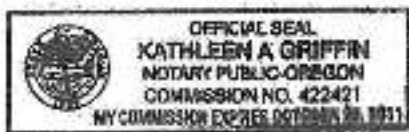
This instrument was acknowledged before me on September 29, 2009, by Larry Patterson, as Executive Director of the Oregon City Urban Renewal Agency.



/s/ Kathleen A. Griffin
Notary Public for Oregon
My commission expires: 10-23-2011

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was acknowledged before me on September 29, 2009, by, Dan Fowler as Member/Manager of Historic Properties, LLC,



/s/ Kathleen A. Griffin
Notary Public for Oregon
My commission expires: 10-23-2011

After recording return to:
Jeffrey L. Kleinsman
Attorney at Law
1207 SW Sixth Avenue
Portland, OR 97204

ENTERED INTO THE RECORD
DATE RECEIVED: 2-1-12
SUBMITTED BY: Nancy Kleinsman
SUBJECT: Item 7a

DECLARATION OF RESTRICTIVE COVENANTS AFFECTING REAL PROPERTY

THIS DECLARATION OF RESTRICTIVE COVENANTS AFFECTING REAL PROPERTY ("Agreement") is entered into by HISTORIC PROPERTIES, LLC, an Oregon limited liability company ("Historic"), and the CITY OF OREGON CITY, an Oregon municipal corporation (the "City"), as of February _____, 2012.

RECITALS

A. Historic wishes to purchase and the City is willing to sell to Historic that certain real property located in the City of Oregon City, County of Clackamas, State of Oregon, as more particularly described in Exhibit A attached hereto (the "Sale Property"), and depicted on the map attached hereto as Exhibit B (the "Map").

B. Historic is the fee owner of certain additional real property located adjacent to or near the Sale Property in the City of Oregon City, County of Clackamas, State of Oregon, as more particularly described in Exhibit C attached hereto (the "Additional Affected Property") and depicted on the Map.

C. The City is interested in providing connectivity between the Amtrak Station at 1757 Washington Street and 17th Street and preserving multi-modal capacity and mobility on Washington Street.

D. In order to provide for and promote the development of the Sale Property, the Additional Affected Property, and other adjacent and nearby properties, and in order to better serve the public, the parties wish to provide for the future grant of reciprocal ingress and egress easements and other conditions for development, in accordance with this Agreement.

E. Historic and the City recognize the ingress and egress easements will facilitate circulation and connectivity among the properties and allow for Washington Street access controls that benefit right-of-way capacity and operations.

NOW THEREFORE, as part of the consideration for the City's sale of the Sale Property to Historic, Historic makes and declares the following restrictive covenants which shall run with the land including both the Sale Property and the Additional Affected Property, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

1. **Agreement to Future Conditions of Approval.** Historic agrees that, as a condition of approval for the development of the Sale Property, the Additional Affected

Property, or any part thereof, the City may in its sole discretion impose conditions of approval requiring the granting of non-exclusive easements in favor of and for the use and benefit of the public, and of the owners of all of the Sale Property and Additional Affected Property and their affiliates, employees, tenants, licensees, invitees, and successors and assigns. The easements shall provide for vehicular, bicycle and pedestrian connectivity between the Sale Property and Additional Affected Property and abutting streets and rights-of-way but shall not include the parking of vehicles accessing properties other than the Sale Property or the Additional Affected Property. The easements shall be over and upon all the paved areas of the Sale Property and the Additional Affected Property as those paved areas may change from time to time. The paved areas subject to such conditions of approval shall include but are not limited to any and all parking areas driveways, roadways and walkways, all regardless of whether open or covered (such as through underground or other under building parking areas, and through parking structures).

These easements may be collectively referred to as the "Access Easements." The Access Easements may in part be required to provide ingress and egress to and from that certain property located at 1757 Washington Street, Oregon City (the "1757 Washington Property"), presently occupied by the Amtrak Station and its driveway, in order to provide a connection to and from Washington Street for the Sale Property and the Additional Affected Property. The 1757 Washington Property is more particularly described in Exhibit D attached hereto and is depicted on the Map.

The City may require that the Access Easements granted in favor of and for the use and benefit of the public be executed and recorded prior to commencement of any development activity on any portion of the Sale Property or the Additional Affected Property. The parties agree that Historic may also submit its proposed form of Access Easements in favor of and for the use and benefit of the public at any time following the recording of this Agreement and prior to commencement of any such development activity and that, once the parties reach agreement as to such form, said Access Easements may be promptly executed and recorded.

The City may further require in its conditions of approval, and does require by means of this Agreement, that similarly worded reciprocal Access Easements in favor of and for the use and benefit of the owners of all of the Sale Property and Additional Affected Property and their affiliates, employees, tenants, licensees, invitees, and successors and assigns, shall be entered into and recorded at the time of any sale, transfer or other conveyance of any benefitted or burdened property to a separate owner. The forms of any such agreements for easement shall be reviewed in advance by the City and shall be subject to advance approval by the City for compliance with the terms of this Agreement. The deed effecting any such sale, transfer or other conveyance shall state that the property described in it is subject to the terms and provisions of an agreement for easement recorded the same date. The City agrees that it is willing to review a proposed, general form of such reciprocal Access Easements at Historic's request, at any time following the recording of this Agreement.

2. Form of Easement Agreements. Any future conditions of approval requiring Access Easements may in turn require the applicant(s) to submit the actual forms of easement agreement proposed to be used to the City for its review and approval, and to obtain full

execution and agreement of the approved easement agreements, prior to commencement of development activity.

3. **Acknowledgment of Requirement for Later Agreements for Easements.** The parties acknowledge that portions of the Sale Property and the Additional Affected Property are likely to be developed at different points in time, and that it may not be feasible to enter into the reciprocal Access Easements between and among property owners described in Section 1, above, when the same person or entity owns both the property to be benefitted and the property to be burdened. Historic therefore agrees on behalf of itself and all its successors and assigns that all site plans and plats of any kind prepared for the development of the Sale Property and the Additional Affected Property shall either clearly refer to or show the areas to be subject to the Access Easements.

4. **Acknowledgment by Historic.** Historic acknowledges and agrees that, as development proposals proceed over time with respect to portions of the Sale Property and the Additional Affected Property, the City may see fit to limit the number of access points to those properties at the time of development approval, and possibly to install a barrier or divider separating the directions of travel on Washington Street. However, it is not the intention of the City to limit the number of access points unreasonably, or to limit such access points solely to the driveway currently serving the Amtrak Station. Historic further acknowledges and agrees that, as development proposals proceed over time with respect to portions of the Sale Property and the Additional Affected Property, the City may condition such development in a manner designed to assure a safe and efficient connection between the 1757 Washington Property and 17th Street for pedestrians and bicycles. The City would anticipate that the benefit of the driveway on the 1757 Washington Property would be extended to the Additional Affected Property and the general public in the future.

5. **Termination.** The provisions of this Agreement and the easements to be created pursuant to those provisions may not terminate unless and until City approves their termination in writing. If City approves any such termination in whole or in part, the parties shall execute and record an instrument evidencing such termination.

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6. **Agreement Runs with the Land.** The provisions of this Agreement and the easements to be created pursuant to those provisions shall be deemed easements, restrictions and covenants running with the land, and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns. Reference herein to Historic and its rights and obligations under this Agreement shall be deemed to include reference to any heirs, successors-in-interest and assignees of Historic. In the event that the Sale Property, the Additional Affected Property, or the 1757 Washington Property is partitioned or subdivided in the future or from time to time, the benefits and burdens of this Agreement and any related easements shall survive, continue and remain appurtenant to all lots and parcels of the subdivided or partitioned properties.

7. **Entire Agreement; Modification of Agreement.** This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may only be modified, changed or terminated by a written agreement signed and acknowledged by the parties and recorded in the real property records of Clackamas County.

8. **No Waiver.** Failure of the City at any time to require performance of any provision of this Agreement shall not limit the City's right to enforce the provision, nor shall any waiver of any breach of any provision be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

9. **Attorney Fees.** If any legal action or proceeding arising out of or relating to the enforcement or interpretation of this agreement is brought by either party, the prevailing party shall be entitled to receive from the other party, in addition to any other relief which may be granted, the reasonable attorney's fees, costs and expenses incurred in the action or proceedings by the prevailing party including at trial and on appeal.

10. **Interpretation.** This Agreement shall be construed in accordance with and governed by the laws of the State of Oregon. If any provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be valid and enforced to the fullest extent permitted by law. The exhibits attached to this Agreement are hereby incorporated by this reference.

11. **Recording.** The fully executed original of this Agreement shall be duly recorded in the Deed Records of Clackamas County, Oregon.

///

///

12. **Counterpart Execution.** This Agreement may be executed and acknowledged in counterpart originals and all such counterparts shall constitute one (1) Agreement. Signature

pages may be detached from the counterpart originals and attached to a single copy of this Agreement to physically form one (1) document.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

HISTORIC PROPERTIES, LLC

CITY OF OREGON CITY

By: _____
Managing Member

By: _____
City Manager

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2012, before me personally appeared _____, who being duly sworn, stated that he/she is the Managing Member of HISTORIC PROPERTIES, LLC, an Oregon limited liability company, and acknowledged the foregoing instrument to be the voluntary act and deed of the limited liability company.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of _____)

On this _____ day of _____, 2012, before me personally appeared _____, who being duly sworn, stated that he/she is the of CITY OF OREGON CITY, an Oregon municipal corporation, and acknowledged the foregoing instrument to be the voluntary act and deed of the City, executed by authority of its City Commission.

Notary Public for Oregon
My Commission Expires: _____

Recorded by TICOR TITLE

199-113

TICOR TITLE INSURANCE

STATUTORY WARRANTY DEED

STIMPSON LUMBER COMPANY, AN OREGON CORPORATION

Grantor,

Grantee and vendee: **CITY OF OREGON CITY**

Grantee, the following described real property less of encumbrances except as specifically set forth herein shown in
CLACKAMAS County, Oregon, to wit:

PARCEL 2, PARTITION PLAT NO. 1992-164, IN THE COUNTY OF CLACKAMAS AND STATE OF OREGON

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 TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES. The said property is free from encumbrances except **COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, SET BACK LINES, POWERS OF SPECIAL DISTRICTS, AND EASEMENTS OF RECORD, IF ANY.**

The net consideration for this conveyance is \$ **73,438.40** paid to an officer comply with the requirements of ORS 93.030
Actual consideration pursuant to an IRC 1031 exchange.
Dated this **4th** day of **November** **1992**

STIMPSON LUMBER COMPANY

John V. McSheehy

State of Oregon, County of _____
The foregoing instrument was acknowledged before me this _____ day of _____ 19____ by _____

State of Oregon, County of **Washington**
The foregoing instrument was acknowledged before me this _____ day of _____ 19____ by **John B. McSheehy**
Stimpson Lumber Company
Oregon



Notary Public for Oregon
My commission expires _____

John B. McSheehy
Notary Public for Oregon
My commission expires **1/25/93**

WARRANTY DEED

STIMPSON LUMBER COMPANY

CITY OF OREGON CITY

Until a change is requested, all tax statements shall be sent to the following address:

CITY OF OREGON CITY
320 WASHBURN BLVD
OREGON CITY, OR 97045
Phone No. **503-617-765**

File No. **0159113**

After recording return to:

CITY OF OREGON CITY
320 WASHBURN BLVD
OREGON CITY, OR 97045

STATE OF OREGON
County of Clackamas
I, _____, Clerk of Clackamas County, do hereby certify that the instrument of record is duly recorded in the public records of this county.

92 NOV -6 PM 3:19



John B. McSheehy
Notary Public for Oregon
My commission expires **1/25/93**

92-71118

Form No. 107 Statutory Warranty Deed 8-92

92 71118

City of Oregon City

GEOGRAPHIC INFORMATION SYSTEM




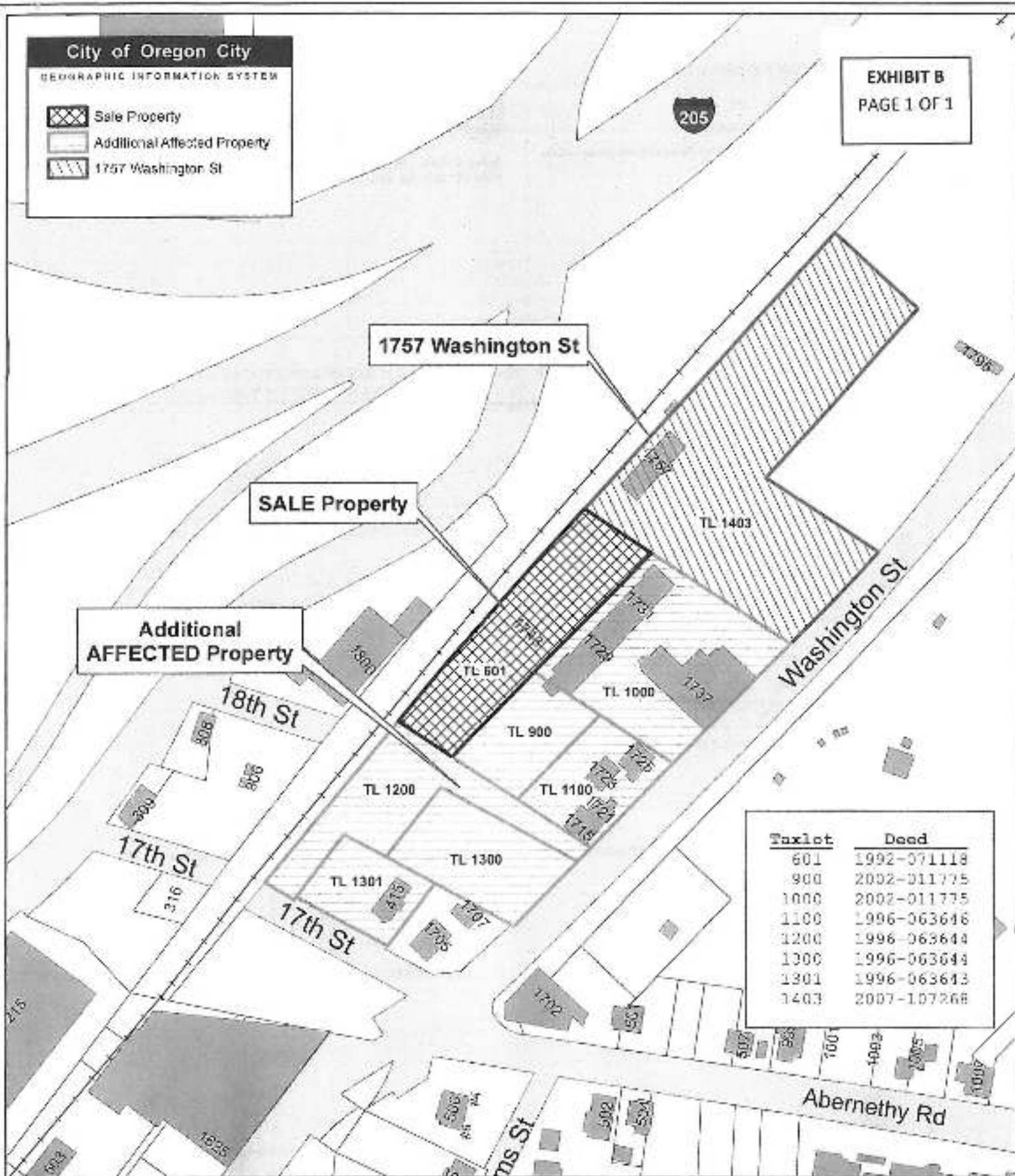
-  Sale Property
-  Additional Affected Property
-  1757 Washington St

EXHIBIT B
PAGE 1 OF 1



The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal engineering or surveying purposes. Notification of any errors is appreciated.



Exhibit B

0 100 200 300 400 Feet

City of Oregon City
P.O. Box 3348
625 Center St
Oregon City, OR 97045
503-857-0801 phone
503-857-9829 fax
www.cityofor.org



Map date: January 31, 2012
Plot name: 1757 Washington St Property Sale - 8_2011 IP - 20120126.ppt
Map name: 1757 Washington St Property Sale - 8_2011 IP.mxd

Please recycle with colored office grade paper.

STATUTORY WARRANTY DEED

Grantor: William E. Lewis
Grantee: Historic Properties, LLC

Until a change is requested, all tax statements shall be sent to the following address:
Historic Properties, LLC
1500 Washington St #201
Oregon City, OR 97045

After Recording return to:
Historic Properties, LLC
1500 Washington St #201
Oregon City, OR 97045

Escrow No. 757010 DIA
Title No. 757010

RECORDED IN CLACKAMAS COUNTY
JOHN KAUFFMAN, COUNTY CLERK

2002-011775



\$31.00

08252292208208117758020825

02/05/2002 10:29:48 AM

D-D Cnt=1 Slr=3 BEVERLY
\$10.00 \$11.00 \$10.00

Recorded By TICOR TITLE

C757010

WILLIAM E. LEWIS AND SHIRLEY V. LEWIS, Grantor, conveys and warrants to HISTORIC PROPERTIES, LLC AN OREGON LIMITED LIABILITY COMPANY, Grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Clackamas County, Oregon, to wit:

See Attached Legal Description

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. The said property is free from encumbrances except COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, SET BACK LINES, POWERS OF SPECIAL DISTRICTS, AND EASEMENTS OF RECORD, IF ANY.

The true consideration for this conveyance is \$500,000.00. (Here comply with the requirements of ORS 83.030), paid by an accommodation pursuant to an IRC "1031" tax deferred exchange.

Dated this 4 day of Feb, 2002.

William E. Lewis

William E. Lewis
Shirley V. Lewis

Shirley V. Lewis

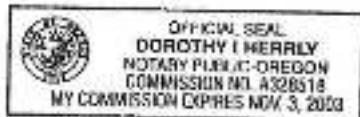
State: OR
County: Clackamas

The foregoing instrument was acknowledged before me this 4 day of Feb, 2002 by:

William E. Lewis and Shirley V. Lewis

[Signature]

Notary Public
My Commission Expires: 11/3/03



TAX LOTS
900 & 1000
PAGE 1 OF 2

EXHIBIT C
PAGE 1 OF 12

TICOR TITLE INSURANCE COMPANY

TITLE PLANT

1629 SW Salmon • Portland OR 97205
(503) 224-0650 • FAX: (503) 218-2212

REFERENCE ORDER NUMBER: 757010

A tract in George Abernathy and wife Donation Land Claim in Section 29, Township 2 South, Range 2 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, described as follows:

Beginning at a point in the center of the 82nd Street Road at the most Southerly corner of that certain tract of land described in deed recorded March 25, 1944 in Book 322, Page 311, Deed Records, said point being North 35° 30' East 1093.10 feet distant and South 70° 56' East 346.90 feet distant and North 36° 59' 10" East 273.76 feet distant and South 58° 01' 30" East 332.85 feet distant from a stone monument set at the intersection of the center line of 14th Street with the center line of Main Street in Oregon City, Oregon, from said beginning point an iron pipe driven on the Northwestern boundary of the said 82nd Street Road bears North 58° 01' 30" West 30.55 feet distant; running thence North 42° 49' East tracing the center line of said road 155.00 feet to the most Easterly corner of that tract described in deed recorded April 24, 1958 in Book 539, Page 239, Deed Records; thence Northwesternly along the Northeastly line of said tract 30.55 feet, more or less, to the Northwesternly boundary of 82nd Street Road and the true point of beginning of the tract herein to be described; thence North 42° 49' East along the Northwesternly line of said road 220.00 feet to the most Southerly corner of the tract described in Contract to B.C.K. Co., Inc., which was recorded August 1, 1962 in Book 608, Page 14, Deed Records; thence North 58° 01' 30" West on the Southwesterly line of the last described tract 217.69 feet to the most Easterly corner of that tract of land conveyed to Publishers Paper Co. by deed recorded May 22, 1974, as Records' Fee No. 74-13839, Film Records; thence South 42° 49' West 375.00 feet to the most Southerly corner of said Publishers tract; thence South 58° 01' 30" East along the Southwesterly line of that tract conveyed to Dean Landeen, et al, by deed recorded February 8, 1961 in Book 582, Page 732, Deed Records, a distance of 102.69 feet to the most Westerly corner of that tract conveyed to Elvira C. Wilson, by deed recorded June 9, 1965 in Book 658, Page 431, Deed Records; thence North 42° 49' East 155.00 feet to the most Northerly corner of said Wilson tract; thence South 58° 01' 30" East 145.55 feet to the true point of beginning.

TOGETHER WITH the right to construct, maintain and use a spur railroad tract, as reserved in that deed recorded May 16, 1974, Fee No. 74-12991, Records of Clackamas County, Oregon.

TAX LOTS
900 & 1000
PAGE 2 OF 2

EXHIBIT C
PAGE 2 OF 12

After Recording Return to:
Historic Properties, LLC
500 Abernethy Road
Oregon City, OR 97045

Until Further Notice Send
Future Tax Statements To:
Historic Properties, LLC
500 Abernethy Road
Oregon City, OR 97045

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That Mark E. Foley, Patricia J. Foley, Daniel W. Fowler and C. Patricia Fowler hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by Historic Properties, LLC hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Clackamas County, State of Oregon, described as follows, to-wit:

Part of the D.L.C. of George Abernethy and wife in Township 2 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, bounded and described as follows:

Beginning at a point in the center of 62nd Street Road at the most Southerly corner of that certain tract of land conveyed to Nels L. and Nellie E. Meten by deed recorded in Book 322, page 311, Deed Records, said point being North 35 degrees 30' East 1093.10 feet distant and South 70 degrees 56' East 346.90 feet distant and North 58 degrees 59' 10" East 273.76 feet distant and South 58 degrees 01'30" East 332.65 feet distant from a stone monument set at the intersection of the center line of 14th Street with the center line of Main Street in Oregon City, Oregon; from said beginning point an iron pipe driven on the Northwestern boundary of the said 62nd Street Road bears North 58 degrees 01' 30" West 30.55 feet distant; running thence North 42 degrees 49' East tracing the center line of said road 155.00 feet; thence North 58 degrees 01'30" West 145.65 feet; thence South 42 degrees 49' West parallel to the said 62nd Street Road 155.00 feet to a point in the Southwesterly boundary of the land conveyed to Nels L. and Nellie E. Meten by deed recorded March 25, 1944 in Book 322, page 311, Deed Records; thence tracing the Southwesterly boundary of said Meten tract South 58 degrees 01' 30" East 145.55 feet to the place of beginning.

The true and actual consideration paid for this transfer, stated in terms of dollars is \$ 0.

96-263646

TAX LOT
1100
PAGE 1 OF 3

EXHIBIT C
PAGE 3 OF 12

To Have and to Hold the same unto the grantee and grantee's heirs, successors and assigns forever.

And grantor hereby covenants to and with grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except: Trust Deed dated December 31, 1987 and recorded January 4, 1988 between Daniel W. Fowler and Mark E. Foley as Grantor and Elvira C. Wilson as Beneficiary; and that grantor will warrant and forever defend the premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ -0-, however, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

In construing this deed, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

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.

IN WITNESS WHEREOF, the grantor has executed this instrument this 29th day of December, 1995.

Mark E. Foley
Mark E. Foley

Patricia J. Foley
Patricia J. Foley

Daniel W. Fowler by C. Patricia Fowler

Daniel W. Fowler
Daniel W. Fowler

C. Patricia Fowler
C. Patricia Fowler

TAX LOT
11DD
PAGE 2 OF 3

EXHIBIT C
PAGE 4 OF 12

STATE OF OREGON)
) SS.
County of Clackamas)

This instrument was acknowledged before me on December 21, 1995,
by Martha Fowler and Patricia J. Fowler.



Judy S. Leonetti
Notary Public for Oregon
My commission expires: Dec 16, 1999

STATE OF OREGON)
) SS.
County of Clackamas)

This instrument was acknowledged before me on December 21, 1995,
by Daniel W. Fowler and C. Patricia Fowler.



Judy S. Leonetti
Notary Public for Oregon
My commission expires: Dec 16, 1999

STATE OF OREGON 96-063646
CLACKAMAS COUNTY
Received and placed in the public
records of Clackamas County
RECEIPT# AND FEE: 41415 \$35.00
DATE AND TIME: 08/28/96 04:45 PM
JOHN KAUFFMAN, COUNTY CLERK

3

TAX LOT
1100
PAGE 3 OF 3

EXHIBIT C
PAGE 5 OF 12

After Recording Return to:
Historic Properties, LLC
500 Abemethy Road
Oregon City, OR 97045

Until Further Notice Send
Future Tax Statements To:
Historic Properties, LLC
500 Abemethy Road
Oregon City, OR 97045

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That Mark E. Foley, Patricia J. Foley, Daniel W. Fowler and C. Patricia Fowler hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by Historic Properties, LLC hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances therunto belonging or in any way appertaining, situated in Clackamas County, State of Oregon, described as follows, to-wit:

Description of a parcel of land located in the George Abemethy Donation Land Claim No. 58, in Section 29, Township 2 South, Range 2 East of the Willamette Meridian, in Clackamas County, Oregon. Beginning at a stone monument at the intersection of centerlines of 14th Street and Main Street in the plat of OREGON CITY, a recorded subdivision, in Clackamas County, Oregon; thence North 35 degrees 30' East, tracing the centerline of Main Street 1093.10 feet to a point; thence South 70 degrees 56' East 346.9 feet to an iron rod driven on the Easterly line of the Southern Pacific Railroad right-of-way; thence South 82 degrees 45' East, along the Northerly boundary of a county road known as 17th Street 175.15 feet to an iron rod and the true point of beginning of the parcel to be described; thence North 37 degrees 10' East, along the Westerly boundary of that tract of land recorded as Fee No. 91-32410 in the County Recorder's Office, 108.00 feet to an iron pipe; thence North 62 degrees 45' West, parallel with the North boundary of the said 17th Street, 135.00 feet to an iron rod; thence South 37 degrees 10' West, 108.00 feet to an iron rod on the said road right-of-way; thence South 62 degrees 45' East, along the said right of way 135.00 feet to the true point of beginning.

EXCEPT THEREFROM that portion deeded to City of Oregon City, a municipal corporation by deed recorded May 13, 1985, Fee No. 85-16196.

95-063643

The true and actual consideration paid for this transfer, stated in terms of dollars is \$ 0.

TAX LOT
1301
PAGE 1 OF 3

EXHIBIT C
PAGE 6 OF 12

To Have and to Hold the same unto the grantee and grantee's heirs, successors and assigns forever.

And grantor hereby covenants to and with grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except: (1) Trust Deed dated June 8, 1994 and recorded at Fee No. 94-092684 between Mark E. Foley and Daniel W. Fowler as Grantor and James G. and Lucille D. Foley as Beneficiary; and (2) Trust Deed dated June 8, 1994 and recorded December 2, 1994 at Fee No. 94-092685 between Mark E. Foley and Daniel W. Fowler as Grantor and James G. and Lucille D. Foley as Beneficiary; and that grantor will warrant and forever defend the premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ -0-, however, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

In construing this deed, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

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.

IN WITNESS WHEREOF, the grantor has executed this instrument this 29th day of December, 1996.

Mark E. Foley
Mark E. Foley

Patricia J. Foley
Patricia J. Foley

Patricia J. Foley by C. Patricia Fowler

Daniel W. Fowler
Daniel W. Fowler

C. Patricia Fowler
C. Patricia Fowler

TAX LOT
1301
PAGE 2 OF 3

EXHIBIT C
PAGE 7 OF 12

STATE OF OREGON)
County of Clackamas) ss.

This instrument was acknowledged before me on December 29, 1995,
by Mark E. Foley and Patricia J. Foley.



Judy S. Leggett
Notary Public for Oregon
My commission expires: Dec 15, 1999

STATE OF OREGON)
County of Clackamas) ss.

This instrument was acknowledged before me on December 19, 1995,
by Daniel W. Fowler and G. Patricia Fowler.



Judy S. Leggett
Notary Public for Oregon
My commission expires: Dec 15, 1999

STATE OF OREGON 96-063643
CLACKAMAS COUNTY
Received and filed in the public
records of Clackamas County
RECEIVED AND FILED: 414'S \$55.00
DATE AND TIME: 03/28/96 04:49 PM
JOHN KAUFFMAN, COUNTY CLERK

3

TAX LOT
1301
PAGE 3 OF 3

EXHIBIT C
PAGE 8 OF 12

20
20

After Recording Return to:
Historic Properties, LLC
500 Abernethy Road
Oregon City, OR 97045

Until Further Notice Send
Future Tax Statements To:
Historic Properties, LLC
500 Abernethy Road
Oregon City, OR 97045

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That Mark E. Foley, Patricia J. Foley, Daniel W. Fowler and C. Patricia Fowler hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by Historic Properties, LLC hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Clackamas County, State of Oregon, described as follows, to-wit:

Parcel I

Part of the George Abernethy and wife Donation Land Claim No. 58, in Section 29, Township 2 South, Range 2 East of the Willamette Meridian, in the City of Oregon City, County of Clackamas and State of Oregon, described as:

Beginning at a point on the West line of 82nd Avenue which is the most Easterly Northeast corner of that tract of land conveyed to Minnie Hackett in Book 539, page 109; thence North 58°01'30" West 300 feet, more or less, to the East line of the Southern Pacific Railway Co.; thence Southerly along said East line of the Southern Pacific Railway Co. 273.75 feet, more or less, to the North line of 17th Street; thence South 62°45' East along the North line of 17th Street 100.15 feet, more or less, to the Southwest corner of that tract of land conveyed to Minnie Hackett in Book 539, page 109; thence North 37°10' East 224 feet; thence South 62°45' East to the West line of 82nd Avenue and the point of beginning.

Parcel II

95-063644

Part of the George Abernethy and wife Donation Land Claim No. 58, in Section 29, Township 2 South, Range 2 East of the Willamette Meridian, ———→

(the true and actual consideration paid for this transfer, stated in terms of dollars in \$ 0.)

TAX LOTS
1200 & 1300
PAGE 1 OF 4

EXHIBIT C
PAGE 9 OF 12

in the City of Oregon City, County of Clackamas and State of Oregon,
described as:

Beginning at the monument situated at the intersection of the center line
of Main and 14th Streets in Oregon City; thence along center line of
Main Street, North 35°30' East 1083.1 feet; thence South 70°56' East
348.9 feet; thence South 62°45' East 100.15 feet to the true place of
beginning; thence North 37°10' East 224 feet; thence South 62°45' East
to the Center of the County Road; thence South 42°49' West along
center of County Road about 230 feet to an iron pipe in the center of
said road, which is South 62°45' East from the beginning point; thence
North 62°45' West to the true point of beginning.

EXCEPT therefrom that tract described as beginning South 62°45' East
75 feet from the true place of beginning of the tract above described;
thence North 37°10' East 108 feet; thence South 62°45' East 148.54 feet
to the center of 82nd Street; thence South 62°49' West along the center
of said road 110.44 feet; thence North 62°45' West 135.5 feet to the
place of beginning.

EXCEPT THE following described real property:

Description of a parcel of land located in the George Ahemathy
Donation Land Claim No. 58, in Section 29, Township 2 South, Range 2
East of the Willamette Meridian, in Clackamas County, Oregon.

Beginning at a stone monument at the intersection of centerlines of 14th
Street and Main Street in the plat of OREGON CITY, a recorded
subdivision, in Clackamas County, Oregon; thence North 35°30' East,
tracing the centerline of Main Street 1083.10 feet to a point; thence
South 70°56' East 348.9 feet to an iron rod driven on the Easterly line of
the Southern Pacific Railroad right of way; thence South 62°45' East,
along the Northerly boundary of a county road known as 17th Street
175.15 feet to an iron rod and the true point of beginning of the parcel
to be described; thence North 37°10' East, along the Westerly boundary
of that tract of land recorded as Fee No. 81-32410 in the County
Recorder's Office, 108.00 feet to an iron pipe; thence North 62°45' West,
parallel with the North boundary of the said 17th Street, 135.00 feet to
an iron rod; thence South 37°10' West, 108.00 feet to an iron rod on the
said road right of way; thence South 62°45' East, along the said right of
way 135.00 feet to the true point of beginning.

To Have and to Hold the same unto the grantee and grantee's heirs,
successors and assigns forever.

And grantor hereby covenants to and with grantee and grantee's heirs,

TAX LOTS
1200 & 1300
PAGE 2 OF 4

EXHIBIT C
PAGE 10 OF 12

successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except: (1) an easement created June 3, 1982 and recorded July 9, 1982 in favor of Portland General Electric Company at Fee No. 82-18822; and (2) a trust deed dated October 8, 1985 and recorded October 9, 1985 at Fee No. 85-35904 with Daniel W. Fowler and C. Patricia Fowler, husband and wife and Mark E. Foley and Patricia J. Foley, husband and wife as Trustor and Transamerica Title Insurance Company as Trustee; and that grantor will warrant and forever defend the premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 0.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration.

In construing this deed, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

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.

IN WITNESS WHEREOF, the grantor has executed this instrument this 27 day of December, 1985.

Mark E. Foley
Mark E. Foley

Patricia J. Foley
Patricia J. Foley

Daniel W. Fowler by C. Patricia Fowler
as her attorney in fact
Daniel W. Fowler

C. Patricia Fowler
C. Patricia Fowler

TAX LOTS
1200 & 1300
PAGE 3 OF 4

EXHIBIT C
PAGE 11 OF 12

STATE OF OREGON)
County of Clackamas) ss.

This instrument was acknowledged before me on December 29, 1995,
by Mark E. Foley and Patricia J. Foley.



Judy S. Leoney
Notary Public for Oregon
My commission expires: Nov 16, 1999

STATE OF OREGON)
County of Clackamas) ss.

This instrument was acknowledged before me on December 29, 1995,
by Daniel W. Fowler and C. Patricia Fowler.



Judy S. Leoney
Notary Public for Oregon
My commission expires: Nov 16, 1999

STATE OF OREGON 96-063644
CLACKAMAS COUNTY
Received and placed in the public
records of Clackamas County
RECEIPT# AND FEE: 21415 \$48.00
DATE AND TIME: 08/29/96 04:49 PM
JOHN KAUFFMAN, COUNTY CLERK

4

TAX LOTS
1200 & 1300
PAGE 4 OF 4

EXHIBIT C
PAGE 12 OF 12

AFTER RECORDING RETURN TO:

City Recorder, Nancy Ide
P.O. Box 3040
Oregon City, Oregon 97045-0304



\$41.00

D-D Crit=1 Str=5 LESLIE
\$15.00 \$16.00 \$10.00

12/27/2007 11:49:40 AM

Map No.: 2-2E-29
Tax Lot No.: 01403
Case File No.: LL 01-01
Street: 1757 Washington Street

Tax Statement: No change

BARGAIN AND SALE DEED FOR PROPERTY LINE ADJUSTMENT

KNOW ALL BY THESE PRESENTS, THAT The Oregon City Urban Renewal Commission, GRANTOR, conveys to The Oregon City Urban Renewal Commission, GRANTEE, the following described real property, bounded and described as follows, to wit:

See attached EXHIBIT "A" Legal description

GRANTOR/GRANTEE are vested by document numbers 2002-092019 and 96-082841.

TO HAVE AND TO HOLD, the above described and granted premises unto the said GRANTEE, its successors in interest and assigns forever.

The true consideration of this conveyance is \$1.00, the receipt of which is hereby acknowledged by GRANTOR.

And the GRANTOR above named hereby covenants to and with the GRANTEE, and the GRANTEE'S successors in interest and assigns that GRANTOR is lawfully seized in fee simple of the above named premises, free from all encumbrances (no exceptions) and that GRANTOR and their heirs and personal representatives shall warrant and forever defend the said premises against the lawful claims and demands of all persons claiming by, through, or under the GRANTOR.

In construing this deed and where the text so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the GRANTOR has executed this instrument this 17th day of December, 2007; if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

URBAN RENEWAL COMMISSION

Signature

Larry Patterson, City Manager

Date

12/17/07

EXHIBIT D
PAGE 1 OF 3

Corporate Acknowledgment
STATE OF OREGON

County of Clackamas

Personally appeared **Larry Patterson**, personally known to me to be the **City Manager of the City of Oregon City**, and that the seal affixed to the foregoing instrument was signed and sealed on behalf of the **Oregon City Urban Renewal Commission** by its authority and acknowledged this to be his voluntary act and deed.

Before me:

NOTARY PUBLIC FOR OREGON

Nancy S. Ide

Notary's signature

My Commission Expires: 12-01-09



GRANTOR:

Oregon City Urban Renewal Commission
P.O. Box 3040
320 Warner Milne Road
Oregon City, OR 97045-0304

GRANTEE:

Oregon City Urban Renewal Commission
P.O. Box 3040
320 Warner Milne Road
Oregon City, OR 97045-0304

Accepted on behalf of the Urban Renewal Commission of the City of Oregon City on the condition that the dedication conveyed is free and clear from taxes, liens, and encumbrances.

MAYOR

Alice Norris

Alice Norris

CITY RECORDER

Nancy Ide

Nancy Ide

EXHIBIT D
PAGE 2 OF 3



Exhibit A
1757 Washington Street

**DAVID EVANS
AND ASSOCIATES INC.**

ORCT0000-0012

JSW

1/16/01

Revised 9/10/01

EXHIBIT D
PAGE 3 OF 3

Legal Description
Adjusted Parcel 1 of Partition Plat 1996-30

A portion of Parcel 1 and Parcel 2 of Partition Plat 1996-30, situated in the George Abernethy D.L.C. No. 58 and in the Hiram Straight D.L.C. No. 42, in the northwest and southwest one-quarters of Section 29 in Township 2 South and Range 2 East of the Willamette Meridian, in the City of Oregon City, County of Clackamas and State of Oregon, being more particularly described as follows:

Beginning at a 5/8" iron rod with yellow plastic cap stamped "KAMPE ASSOCIATES, INC." at the northwesterly corner of said Parcel 1, said iron rod also being on the southeasterly right-of-way line of the Union Pacific Railroad; and running thence tracing said southeasterly right-of-way line and the northwesterly line of said Parcel 1 and continuing along the northwesterly line of said Parcel 2 North 42° 00' 00" East 489.61 feet; thence leaving said southeasterly right-of-way line South 48° 00' 00" East 149.00 feet; thence South 42° 00' 00" West 300.00 feet to the northeasterly line of said Parcel 1; thence tracing said northeasterly line South 56° 37' 37" East 177.73 feet to the southeasterly corner thereof, said corner being on the northwesterly right-of-way line of Washington Street at a point of non-tangent curvature; thence tracing said right-of-way line along the arc of a 1402.39 foot radius curve to the right, through a central angle of 2° 24' 16", an arc distance of 58.85 feet (the long chord of which bears South 42° 58' 45" West 58.85 feet); thence continuing along said right-of-way line South 44° 10' 53" West 109.02 feet to the southwesterly corner of said Parcel 1; thence leaving said right-of-way line and tracing the southwesterly line of said Parcel 1 North 56° 37' 37" West 323.22 feet to the point of beginning.

Containing an area of 100,260 square feet, more or less.

Based on Partition Plat 1996-30, as it is recorded in the Clackamas County Surveyor's Office.

**REGISTERED
PROFESSIONAL
LAND SURVEYOR**




Jeffery S. Whitson
OREGON
JULY 26, 1998
JEFFERY S. WHITSON
2361

RENEWAL 8/30/08

a:\project\orct0000-0012\survey\general files\nct12pl.dwg

City of Oregon City

GEOGRAPHIC INFORMATION SYSTEM

-  Sale Property
-  Additional Affected Property
-  1757 Washington St

1757 Washington St

SALE Property

Additional
AFFECTED Property

Taxlot	Deed
601	1992-071118
900	2002-011775
1000	2002-011775
1100	1996-063646
1200	1996-063644
1300	1996-063644
1301	1996-063643
1403	2007-107268

The City of Oregon City makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. This map is not suitable for legal, engineering, or surveying purposes. Notification of any errors is appreciated.



Exhibit B

0 100 200 300 400 Feet

City of Oregon City
P.O. Box 3040
625 Center St
Oregon City, OR 97045
503-657-0891 phone
503-657-6629 fax
www.ocity.org



Plot date: January 26, 2012
Plot name: 1743 Washington St Property Sale - 8_5x11P - 20120126.pdf
Map name: 1743 Washington St Property Sale - 8_5x11P.mxd

Please recycle with colored office grade paper.

The City Attorney advised the Commission that this could be paid from City funds if the Commission so decided. The Final Assessment Roll was not a public hearing item, notice was given, with the Commission having the power to modify. Fowler asked if there were any other unbuildable parcels in the LID. Mr. Eubanks advised his was the only property with an unbuildable parcel. Ebert asked about consistency between the LIDs, will this set a precedent. Block advised this does not set a policy precedent but unbuildable area is being excluded in the Park Place sewer LID.

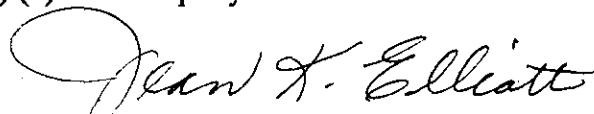
It was moved by Light, second by Powell, to waive the assessment and pay it from the Sewer Fund.

Roll call: VanOrman, Aye; Light, Aye; Powell, Aye; Ebert, Aye; Fowler, Aye.

On the call for Commission requests, VanOrman requested re-initiating the Commission receiving a copy of the expenditure reports and she requested a matrix of Development Services funds.

Fowler advised of the Clackamas Cities Association dinner meeting set for October 24, 1991.

With no further business, the meeting adjourned at 9:00 p.m. with the Commission re-convening an Executive Session pursuant to ORS 192.660 (1) (e) Real Property Transactions.


JEAN K. ELLIOTT, City Recorder

SPECIAL MEETING

Oregon City, Oregon, October 23, 1991

A Special meeting of the City Commission was held in the Commission Chambers of City Hall on the above date at 6:30 p.m.

Roll call showed the following present:

Mayor Daniel W. Fowler
Commissioner Suzanne VanOrman
Commissioner Carol A. Powell
Commissioner Robert M. Light
Commissioner James R. Ebert
Charles Leeson, Manager/Recording Secretary
City staff members

Mayor Fowler opened the Special meeting at 6:40 p.m. Commission Report No. 91-200, Proposed Acquisition of Map 2-2E-29, Tax Lot 1600 and 2000 - Riedel Property was presented by the Manager. The report noted that on the October 23, 1991 Special meeting agenda was a follow up report on Commission direction of the October 16, 1991 Executive Session. Attached was the bid form, bid deposit claim form and Letter Agreement for Commission review. The Letter Agreement provides for the preparation of a subsequent purchase and sale agreement with any terms and conditions needed.

The report continued that the property was needed as right-of-way for future road improvements that would replace Agnes Avenue. The project was consistent with the Transportation Master Plan,

End of the Trail Master Plan and the current development plans for the lagoon area. The timing was because the property is up for auction and staff believes this property would leverage other private development in the area.

This proposal differs from what was discussed. Staff is recommending a fixed price offer versus appraisal. The basis of value used is the County assessed value of \$205,700 which is equivalent to \$.68 per square foot which would be less than an appraised value.

The report concluded that the question of source of funds would be bond proceeds tentatively earmarked for the Abernathy Road realignment project. Attached for Commission review was the bond proceeds official statement project list. If the Commission supported this proposal, a motion should be adopted to authorize the City Manager to make the bid.

John Block, Development Services Director, explained the documents that were attached to the Commission Report - Bid Form; Claim for Bid Deposit; Letter that provides the agreements and understandings with the intent of the agreement to be that prior to proceeding further, a purchase and sale agreement needs to be negotiated; a map showing the parcels of interest, Tax Lots 1600 and 2000 for road purposes; Payer's Request for Taxpayer ID Number; and, a statement of funding from the Transportation Bond Issue with the Abernathy Road Realignment as the project for which the funding would be used.

Block then went on to explain the change in direction from the Commission. He referred to a wall map and explained locations of Tax Lots 1600 and 2000. It was not realized that Riedel owned Tax Lot 2000 until the Lone Star project came forward and the City wanted Lone Star to improve the frontage and they declined because they did not own it. Acquisition of this was needed for right-of-way.

Block reiterated the Commission discussing the need for an appraisal. He the only need for an appraisal was for a basis of value for the public to buy property. He thought the basis of value would be greater than the current assessed value. He suggested offering Riedel a fixed amount, the basis of value that is being used is the County assessed value. The assessed value is \$205,700 which is equivalent to \$.68 per square foot.

Fowler asked if an environmental study would be done. Block advised that in the Letter Agreement that the City has the option of having any studies done. Fowler asked if there was an option to cancel the sale based on any of the studies. Block noted that if that was what the Commission wanted; it was not currently in the Letter Agreement but could be a condition.

Powell asked if money could be used that is already identified for another project that will have a co-participant. Block noted that Abernathy Road was listed as a City/County project because of the relationship to the Trail. VanOrman then asked about original plans for use of the funds then the funds being diverted to another project - can this be done legally. The City Attorney was not present to answer. Block advised that Abernathy Road was included at the last minute because there was no other project identified for the funding needed.

Scott Harper, Finance Officer advised that there are no severe restrictions. It would be more of a budgetary matter. If one project that bonds were sold for became unreasonable to do, it could be stopped. The City's obligation was if the money was not used within a certain period of time, the City would be in violation with the Federal government for selling bonds and not using the proceeds.

VanOrman asked if there was a public process to change the direction. Harper advised that for Capital Outlay, no resolution is needed to go from one project to another.

Fowler asked for priorities relating to which part of the road might be more important than the other. He advised that there was a design work shop today wherein he asked what would happen if the City were to acquire that right-of-way. Would the design group consider that as a viable project that the City should consider. There was an immediate affirmative response. That would provide control for future light rail, trolley lines and as developments occur, right-of-way could be required for access to the bridge to cross the Clackamas River. Development could make the road. He asked what commitments have been made for construction of the road. He saw this piece as critical in the overall shaping and control of the area.

Light wanted to know where the \$2 million would come from. Block advised that the City went for a series of bond issues this year for transportation projects. The underwriter for the bond required an official statement that included a list of projects anticipated. Light asked what the source of the bonds was; Block stated State Gas Tax revenue for 15 years. When asked if the money had to be set aside for repayment, Harper advised of a Bond Redemption Fund of \$200,000 per year of gas tax. VanOrman asked if that money was set aside as a back up for what is owing. This was affirmative.

Discussion was held regarding the right-of-way being 50 or 100 feet; the cost of 50 feet versus 100 feet; listing clear title as a condition of purchase; the preservation of trolley corridor possibly needing 100 feet; the date of auction being Friday with the bid due the day after this meeting; the property not being withheld from the auction.

When asked if any discussion had been held about condemnation, Block advised they had been approached about a dedication in exchange for road improvement. They advised this was not possible because there was a need for money.

Ebert joined the meeting at this point and asked about the source of funds. Block advised money would be taken that was tentatively programmed for the Abernathy Road realignment project. An alternative to that would be to use City Street Funds that were already budgeted for construction. There is a carryforward of about \$400,000 in the Street Fund. Ebert asked for the source of the \$600,000 for the Abernathy Road realignment. Block advised this was the bond proceeds that was just completed. When VanOrman asked if the City would have about \$8 million in revenue bonds, Harper advised the City would have \$6.8 million with Urban Renewal having \$2.8 million.

Don Vedder inquired as to where the bid says that the total bid is based on \$.68 per square foot. Block advised this was on 100 foot right-of-way. Fowler suggested that under No. 1, Total Purchase Price, purchase price of the property should be \$205,700 based on 100 feet of right-of-way at \$.68 per square foot; if square footage is less, the price would be adjusted accordingly. Block noted that the first paragraph of the Letter Agreement identified specifically the property. Fowler suggested clarifying it by including that this was \$.68 per square foot for every square foot of property that could be delivered by free title.

It was moved by Light, second by Ebert, to accept Report No. 91-200 with the suggested changes and authorize the City Manager to make the bid with changes.

VanOrman asked for a re-listing of the changes. Block reiterated the following: 1) subject to environmental study; 2) relinquishment on the access easement involving the accesses provided; and, 3) the bid at \$.68 per square foot on Tax Lot 1600 and 2000 based on actual square feet.

VanOrman advised she was having trouble without the advice of legal counsel regarding switching of commitments. She noted that she would have to feel comfortable about what the City has committed to the citizens regarding the bond issue. She advised she would vote no.

Roll call: VanOrman, Nay; Light, Aye; Powell, Aye; Ebert, Aye; Fowler, Aye.

Commission Report No. 91-201, Proposed Acquisition of Map 2-2E-29CA Portion of Tax Lot 600 - Stimson Lumber Property, was presented by the Manager. The report noted that on the October 23, 1991 agenda was a recommendation to consider purchasing a portion of the Stimson Lumber property as right-of-way for the Abernathy Road realignment project. Attached were maps illustrating the subject property and project concept plan.

The report continued that this proposal was brought to staff by the real estate brokers representing Stimson Lumber. The site measures on average, 92.5 feet wide and 372 feet long, comprising approximately 34,410 square feet with an asking price of \$2.50 per square foot. Staff was supportive of the acquisition and recommended an offer of \$1.266 per square foot (\$60,000 per acre) for a total acquisition price of \$47,397.

The reduced offer amount was consistent with County assessed values and because the existing railroad spur impacts the usability of the remainder of the property. Funding is tentatively approved for this project from the recent bond sale for miscellaneous transportation improvements.

The report concluded that the City has received right-of-way dedication from the property on the west side of the Southern Pacific Railroad. Future acquisitions would include Tax Lots 900, 1000 and 1100. If the Commission supported this proposal, a motion should be adopted authorizing the offer on the property.

VanOrman asked if this was on the agenda in the notice of the meeting. The Manager advised there was no agenda listed, only the announcement of a special meeting.

Fowler advised he would abstain from this matter and turned the meeting to Commissioner VanOrman as President of the Commission.

VanOrman felt uncomfortable without legal counsel present regarding being able to make a decision on this matter with the meeting advertised without an agenda.

John Block, Development Services Director, reiterated information in the Commission Report. He advised that when Grubb and Ellis, real estate brokers for Stimson, approached the City about any interest in purchasing the property. With his knowledge of the End of the Trail project, he indicated there might be some interest and that the program was a realignment of Abernathy with a parcel of property, almost 3/4 of an acre, that would be necessary for the project. They returned with the proposal outlined in the Commission Report. The property lies just behind Landeen's, between Landeen and the railroad. He showed the approximate location of the realignment on a wall map. He suggested offering one-half of the asking amount because the railroad spur line would have an impact on the usability of the property, not for the road, but if the City wanted to acquire and then sell any surplus.

Light asked where the property was in relationship to MetalFab. Block noted MetalFab was on the other side of the track, this was on the east side of the road. Light asked if the road would go through MetalFab with Block noting they dedicated the road right-of-way at the north end of their property. Powell asked if the property needed to be cleaned up. Block advised the sale could be subject to an environmental report. VanOrman asked if this piece was to be purchased as part of the Abernathy Road realignment project; this was correct. Powell asked if there was foreseeable use for the excess property. Block noted the excess pieces were landscape pieces for the Trail project. Some excess property could be used for parking or an historic homes reserve area. Light felt it was a good purchase to show the City's commitment to the Trail project.

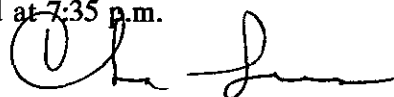
Don Vedder asked if this was bought for the Trail, would it be dedicated to the Foundation. Light responded negative; that the Abernathy realignment was integral with the development of the Trail project. Harper advised that the City's contribution to the Trail project would be the realignment of the road and similar development. Vedder asked who the railroad spur served. Block advised he did not know; he read that on a property survey map. Commission members speculated that it could be the Lumber Mill and Landeen's.

VanOrman asked why it was better to purchase rather than condemnation. Block advised it was easier if an owner voluntarily wants to sell. Condemnation proceedings are expensive.

It was moved by Light, second by Ebert, to approve the offer of \$1.266 per square foot as outlined in Commission Report No. 91-201 with an environmental study to be completed.

Roll call: Light, Aye; Powell, Aye; Ebert, Aye; VanOrman, Aye.

With no further business, the meeting adjourned at 7:35 p.m.



CHARLES LEESON, Manager/Recording Secretary

REGULAR MEETING

Oregon City, Oregon, November 6, 1991

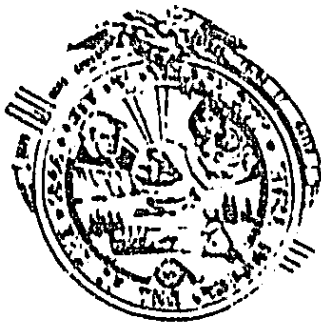
A regular meeting of the City Commission was held in the Commission Chambers of City Hall on the above date at 8:00 p.m.

Roll call showed the following present:

Mayor Daniel W. Fowler
Commissioner Suzanne VanOrman
Commissioner Carol A. Powell
Commissioner James R. Ebert

Charles Leeson, City Manager
Edward J. Sullivan, City Attorney

The flag salute was lead by Mayor Fowler, after which he called for approval of the minutes. It was moved by Powell, second by VanOrman, to approve the Executive Session and Regular meeting minutes of October 16 and Special meeting minutes of October 23, 1991.



CITY OF OREGON CITY

INCORPORATED 1844

COMMISSION REPORT

FOR AGENDA

DATED

October 23, 1991

TO THE HONORABLE MAYOR AND COMMISSIONERS

Page Page 1 of 1

Subject: Proposed Acquisition of
Map 2-2E-29CA Portion of
Tax Lot 600 - Stimson Lumber Property

Report No. 91-201

On the October 23, 1991 City Commission Agenda is a recommendation to consider purchasing a portion of the Stimson Lumber property as right-of-way for the Abernethy Road realignment project. Attached are maps illustrating the subject property and project concept plan.

This proposal was brought to staff by the real estate brokers representing Stimson Lumber. The site measures on average, 92.5 feet wide and 372 feet long, comprising approximately 34,410 square feet. The asking price is \$2.50 per square foot. Staff is supportive of the acquisition and is recommending an offer of \$1.266 per square foot (\$60,000 per acre). This would make the total acquisition \$47,397.

The reduced offer amount is consistent with County assessed values and because the existing railroad spur impacts the usability of the remainder of the property. Funding is tentatively approved for this project from the recent bond sale for miscellaneous transportation improvements.

The City has already received right-of-way dedication from the property on the west side of the Southern Pacific Railroad. Future acquisitions will include tax lots 900, 1000 and 1100.

If the Commission supports this proposal it should adopt a motion authorizing the offer on the property.

CHARLES LEESON
City Manager

Attachments

cc: John Block, Development Services Director
J. Scott Harper, Finance Director

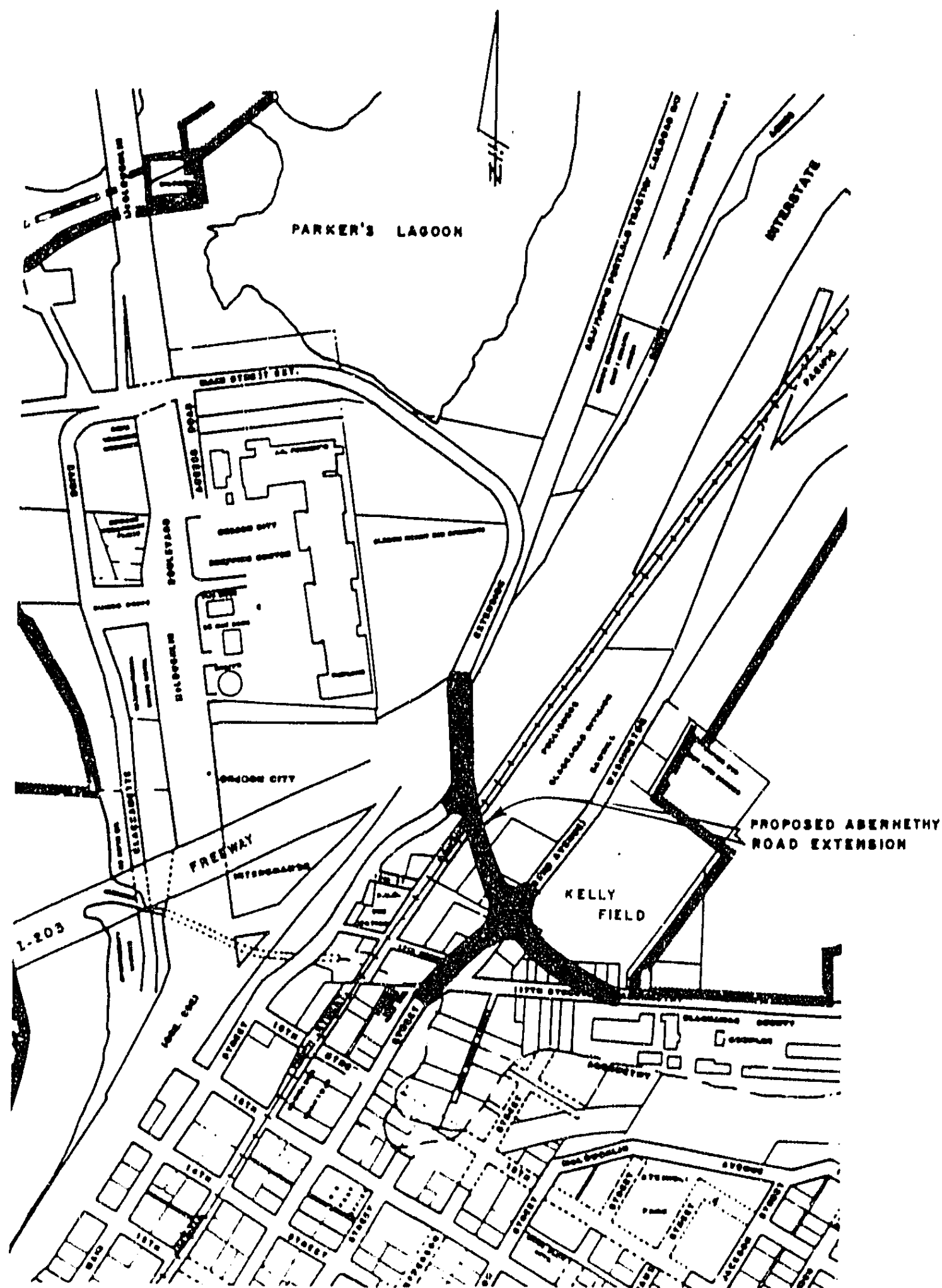
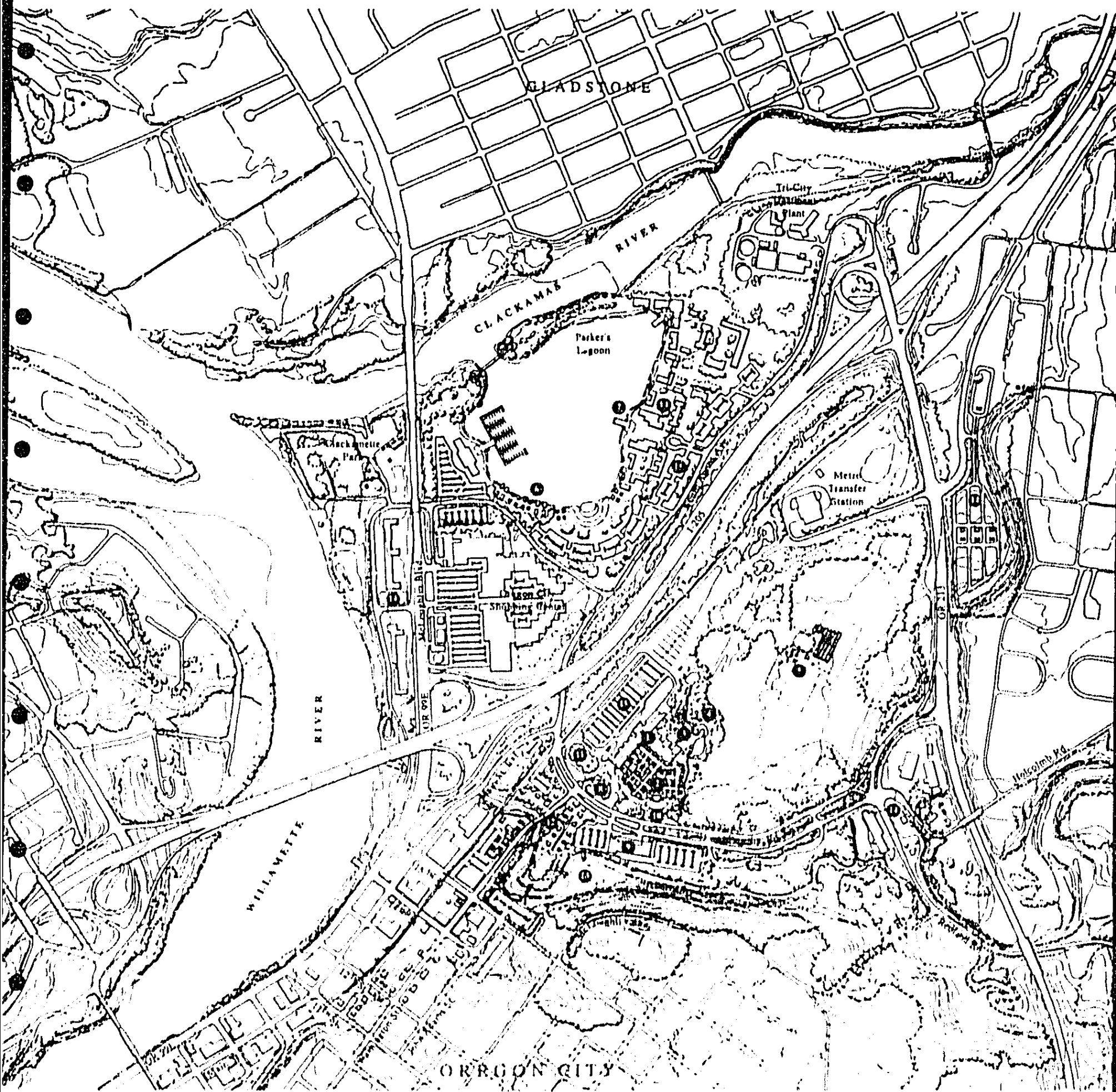


FIGURE 20
PROPOSED ABERNETHY ROAD EXTENSION



STATE OF OREGON

SE 1/4 SEC. 29 T. 22 N. R. 106 E.
CLACKAMAS COUNTY
SEE MAP 2 2E 29

SEE MAP 2 2E 29C3

62-202

STATE OF OREGON

THOMSON

13250

18TH ST.

SOUTHERN

PACIFIC

RAILROAD

0.12 AC

17TH ST.

1301

0.21 AC

1300

0.25 AC

1400

0.25 AC

1300

0.25 AC

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SUBJECT PROPERTY

600

0.05 AC

1300

0.25 AC

1300

0.25 AC

1300

82ND AVE.

STATE HWY. 212

212

MKT. ROAD NO. 38

ABERNETHY

SEE

- Point - map PS 56151-556°33'42"E - 0 20 ft.
- ⑧ - Found 1" dia. iron pipe - map PS 9643
- ⑨ - Found capped iron rod by State Highway Dept.

- ⑩ - Record State Hwy. Dept. iron rod under seasonal water and not tied.
- ⑪ - Set pin nail in the center of a 30" dia. culvert 111 ft. N. of the sly end (shown by map PS 2033).

RECORD EASEMENTS:

(Clocks County Deeds Records)

- Deed book 129 pg 291 for telephone wire
 Fee 68-7314-16 for water use
 Fee 68-8792 for access
 Fee 68-10811 for gas line
 Fee 68-11053 for waterline
 Fee 68-11056 for sewer line
 Fee 68-10145 for public access
 Fee 74-12991 for railroad spur.

SOUTHERN PACIFIC RAILROAD COMPANY

9.94 Acres

THURMONT AVE. located
 Oregon City Ordinance NT1787
 Fee 73-34906

Note: Railroad right-of-way was established by track location.
 N 42°00'51"E
 Across sly. bdy. of telephone line easement area.
 DB109 pg 291.

Bar fill to barrier

Permitting wall

Blocked area

"A" frame Office

Conductor's car

Note: Some portions
 drainage ditch encroach
 onto subject property.

SUBJECT
 PROPERTY

OREGON STATE HIGHWAY No 212 (B2nd AVE.)

HIRAM STRAIGHT O.L.C.
 GEORGE ARNETHY O.L.C.