

REAL ESTATE PURCHASE AND SALE AGREEMENT

THIS REAL ESTATE PURCHASE AND SALE AGREEMENT (this “**Agreement**”), dated April __, 2023 (the “**Effective Date**”), is entered into between WEST LINN-WILSONVILLE SCHOOL DISTRICT, an Oregon municipal corporation (“**Seller**”); and the CITY OF WILSONVILLE, an Oregon municipal corporation (“**Buyer**”).

For good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Seller and Buyer agree as follows:

1. Property. Seller agrees to sell and convey to Buyer and Buyer agrees to purchase from Seller, subject to the terms and conditions in this Agreement, all of Seller’s right, title, and interest to and in the following:

(a) **Land.** The real property consisting of approximately 2.93 acres, commonly known as 7035 SW Boeckman Road, Wilsonville, Oregon, described and depicted in the attached Exhibit A, together with all development rights, and all easements and other rights and privileges appurtenant to such land (collectively the “**Land**”). Buyer and Seller acknowledge that the Land is the subject of a pending lot line adjustment application, submitted on February 24, 2023, Case No. ADMN23-0007 (the “**Lot Line Adjustment**”) and that the transaction contemplated by this Agreement is contingent on Seller receiving final approval of the Lot Line Adjustment and recording by the Seller the resulting partition plat in the official records of Clackamas County, Oregon (“**Final Plat Recording**”). Buyer and Seller further acknowledge that the Land comprises a portion of certain real property owned by Seller that is the subject of a pending development application, submitted on November 22, 2022, Case No. DB22-0012 (the “**Development Application**”) and that the transaction contemplated by this Agreement is contingent on Seller receiving satisfactory final approval, in Seller’s sole discretion, of the Development Application.

(b) **Improvements.** All buildings, fixtures, structures, landscaping, and other improvements located upon the Land (the “**Improvements**,” and together with the Land, the “**Property**”).

2. Purchase Price. The purchase price for the Property (the “**Purchase Price**”) is One Million Three Hundred Eight Seven Thousand Two Hundred Dollars (\$1,387,200.00), subject to adjustments and prorations as provided in this Agreement. The Purchase Price shall be payable to Seller by wire transfer in immediately available federal funds at Closing (defined below).

3. Conveyance. At Closing (defined below), Seller shall convey to Buyer fee simple title to the Property by duly executed and acknowledged statutory special warranty deed (the “**Deed**”) in substantially the form attached as Exhibit B, subject only to those exceptions that Buyer approves or is deemed to have approved under Section 8 (the “**Permitted Exceptions**”).

4. Due Diligence.

(a) **Due Diligence Items.**

(i) Seller shall deliver to Buyer, within five (5) business days after the Effective Date, copies of the following items (the “**Due Diligence Items**”) that are in Seller’s possession:

(ii) Any geotechnical reports and environmental site assessments relating to the Property, together with any other information about the physical condition of the Property.

(iii) Seller's existing owner's policy of title insurance covering the Property.

(iv) All surveys of the Property in Seller's possession.

(b) **Buyer's Inspection.** On or before thirty (30) days from the Effective Date (the "**Due Diligence Period**"), Buyer shall conduct an inspection of the Property and a review of the information relating to the Property and satisfy itself with respect to the condition of and other matters related to the Property and its suitability for Buyer's intended use. During the Due Diligence Period, Buyer and its agents and representatives shall have the right to go on the Property for the purpose of conducting soil tests, surveys, phase I environmental site assessments and other investigations, and undertaking such other activities as are appropriate to planning its future use of the Property; provided, however, that Buyer shall not undertake a phase II environmental site assessment or any other invasive testing without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed. The results of all soil tests, surveys, phase I environmental site assessments, and other investigations of the Property undertaken by Buyer shall not be disclosed to any third party or other governmental entity without the prior written consent of Seller, unless such disclosure is required by law or is required in connection with obtaining any necessary permits or approvals; provided, however, that Buyer shall be permitted to disclose such results to its design professionals, consultants, attorneys, and potential lenders and investors, provided that such parties have been advised of the foregoing confidentiality obligation.

Buyer shall not take any action that results in any liens or encumbrances being placed against the Property and, if any liens or encumbrances are placed against the Property as the result of Buyer's actions, Buyer shall cause them to be released within seven (7) days.

Buyer shall repair any damage resulting from or relating to Buyer's right of entry. Subject to limitations of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 to 30.300), Buyer shall indemnify, defend and hold Seller harmless from and against any claims, damages or liability (including reasonable attorney fees), and shall repair any damage to the Property, resulting from or relating to Buyer's right of entry; provided, however, that Buyer shall have no obligation to indemnify, defend, or hold harmless Seller from any condition of the Property discovered by Buyer, or from any loss of marketability of the Property as a consequence of such discovery. Buyer's repair and indemnity obligations shall survive the termination of this Agreement.

5. Closing. The closing of the transaction contemplated by this Agreement (the "**Closing**") shall occur in the offices of [TBD] (the "**Title Company**"), on the later of: (i) thirty (30) days after the expiration of the Due Diligence Period; or (ii) July 15, 2023 (the "**Closing Date**").

6. Closing.

(a) **Seller's Escrow Deposits.** On or before the Closing Date, Seller shall deposit into escrow the following:

(i) The duly executed and acknowledged Deed.

(ii) A non-foreign affidavit under Section 1445 of the Internal Revenue Code.

(iii) A signed closing statement reflecting the Purchase Price and all adjustments, prorations and credits thereto, and such disbursements as the parties wish to reflect thereon in connection with the transaction contemplated hereby (the “**Closing Statement**”).

(iv) Resolutions, incumbency certificates and such other documentation as may be reasonably required by the Title Company to confirm Seller’s authority to undertake and consummate the Closing or as may be customarily delivered in connection with the closing of real estate sale transactions in the state of Oregon.

(b) **Buyer’s Escrow Deposits.** On or before the Closing Date, Buyer shall deposit into escrow the following:

(i) A signed Closing Statement.

(ii) The Purchase Price.

(iii) Resolutions, incumbency certificates and such other documentation as may be reasonably required by the Title Company to confirm Buyer’s authority to undertake and consummate the Closing or as may be customarily delivered in connection with the closing of real estate sale transactions in the state of Oregon.

(c) **Closing.** The purchase and sale of the Property shall be closed in escrow with the Title Company on terms acceptable to the parties and customary for similar closings in the Portland, Oregon metropolitan area, it being understood that neither Buyer nor Seller nor their respective counsel need be physically present at the Closing, so long as (i) all escrow deliverables are delivered in escrow as provided above and available to be recorded (if applicable) on or before the Closing Date, and (ii) all necessary Closing funds have been wire transferred to the Title Company on or before the Outside Closing Date. Seller shall deliver exclusive possession of the Property to Buyer on the Closing Date.

(d) **Closing Expenses.** Each party shall be responsible for the following closing expenses:

(i) Seller shall pay the premium for a standard coverage owner’s policy of title insurance in the full amount of the Purchase Price, one-half of any fees and expenses charged by the Title Company, and its own attorney fees.

(ii) Buyer shall pay the additional premium attributable to extended coverage policy of title insurance and endorsements, if requested by Buyer, one-half of any fees and expenses charged by the Title Company, its own attorney fees, any costs related to Buyer’s financing of the purchase of the Property, and all costs related to the recording of the Deed and any lender security instruments.

7. Adjustments and Prorations. The following adjustments and prorations shall be made as of 12:01 a.m. on the Closing Date:

(a) **Property Taxes.** Property taxes payable in the year of Closing shall be prorated as of the Closing Date

(b) **Other Operating Expenses.** Any operating expenses for the Property that will extend through the Closing date, if any (such as, solely by way of example, utility costs) shall be measured as close to the Closing Date as reasonably possible and equitably allocated or prorated between Buyer and Seller as of the Closing Date. The provisions of this Paragraph 7 shall survive Closing.

8. Title Review. On or before the date that is thirty (30) days after the Effective Date, Seller shall cause the Title Company to deliver to Buyer a title report with respect to the Property (the “**Title Report**”), and within ten (10) days of receipt of such title report, Buyer shall deliver to Seller a written notice of any title objections, which may be based on any survey of the Property that Buyer may obtain, or based upon any survey of the Property received from Seller (the “**Objection Notice**”). If Buyer does not deliver the Objection Notice within such 10-day period, then it shall be deemed to have accepted all matters reflected in the Title Report, and all such matters shall be deemed Permitted Exceptions. Seller may agree to remedy the title objections identified in the Objection Notice by written notice to Buyer (the “**Objection Response**”) delivered within ten (10) days after its receipt of the Objection Notice. Notwithstanding the foregoing, all title encumbrances that can be removed solely by the payment of money, such as mortgages or statutory liens, shall be deemed Permitted Exceptions.

If Seller does not deliver the Objection Response within the above 10-day period, then it shall be deemed to have elected not to cure the title objections identified in the Objection Notice, in which case Buyer may elect either to: (a) proceed to Closing, in which case Buyer shall accept title to the Property subject to the objections that Seller has not agreed to cure or remedy (and such matters shall be deemed Permitted Exceptions); or (b) terminate this Agreement by delivery of written notice to Seller within ten (10) business days after its receipt of the Objection Response or the expiration of Seller’s 10-day response period. If Buyer does not deliver notice of its election within said 10-day period, it shall be deemed to have elected to proceed to Closing.

If the Title Company issues a supplement to the Title Report, including any supplement issues subsequent to Final Plat Recording, the procedure in this Section 8 shall apply to the supplement, except that Buyer shall have five (5) days following receipt of such supplement to notify Seller of its disapproval of any new exceptions, Seller shall have five (5) days to give Buyer notice that Seller will remove any new objected to exceptions, Buyer shall have five (5) days to elect to proceed to Closing, and the Closing Date shall be automatically extended to accommodate this process.

9. Conditions to Closing.

(a) **Seller’s Contingencies.** Seller’s obligation to sell the Property in accordance with this Agreement is expressly contingent on: (i) approval of the Lot Line Adjustment enabling it to accomplish Final Plat Recording prior to the Closing Date and (ii) satisfactory final approval, in Seller’s sole discretion, including the expiration of any applicable appeal deadlines, of the Development Application (collectively, “**Seller’s Contingencies**”).

(i) **Seller's Extension.** If Seller's Contingencies are not satisfied prior to the original Closing Date, Seller may extend the Closing Date for up to thirty (30) days to allow for satisfaction of Seller's Contingencies by delivering written notice to Buyer no later than ten (10) days prior to the then-scheduled Closing Date.

(ii) **Satisfaction of Seller's Contingencies.** If Seller's Contingencies are not satisfied prior to the Closing Date (subject to the above extension), either party may terminate this Agreement by written notice to the other party, in which case the escrow will be terminated, all documents will be returned to the party who deposited them, and neither party will have any further rights or obligations under this Agreement, except as otherwise provided in this Agreement, and except that each party will pay one half of the cost of terminating the escrow.

(b) **Buyer's Contingencies.** Buyer's obligation to purchase the Property in accordance with this Agreement is contingent on the following (collectively, "**Buyer's Contingencies**"):

(i) **Title Policy.** The Title Company shall be unconditionally committed to issue to Buyer at Closing (a) an ALTA standard coverage owner's policy of title insurance for the Property, with a liability limit in the amount of the Purchase Price, and insuring fee title vests in Buyer, subject only to the Permitted Exceptions (the "**Title Policy**") and, (b) at Buyer's option, an ALTA extended coverage form and/or title endorsements to the Title Policy.

(ii) **Seller's Obligations.** Seller shall have timely performed and complied with all of Seller's material obligations under this Agreement.

(iii) **Seller's Representations.** Each representation and warranty of Seller in this Agreement shall have been true in each material respect as of the Effective Date and shall be true in all material respects on the Closing Date.

(iv) **Satisfaction or Waiver of Buyer's Contingencies.** Buyer's Contingencies are solely for the benefit of Buyer. If any of Buyer's Contingencies are not timely satisfied, Buyer shall have the right, at its sole election, either to waive any of them in writing and proceed to Closing or to terminate this Agreement. If Buyer elects to terminate this Agreement as authorized herein, the escrow shall be terminated, all documents shall be returned to the party that deposited them, and neither party shall have any further rights or obligations under this Agreement, except as otherwise expressly provided.

10. Condemnation. If any taking pursuant to the power of eminent domain is threatened or occurs as to all or any material portion of the Property before the Closing Date, or a sale occurs in lieu thereof, Buyer may elect either to: (a) terminate this Agreement by delivery of written notice to Seller within ten (10) days after written notice of the condemnation or threat thereof; or (b) proceed to Closing, in which event all proceeds, awards and other payments arising from any such taking or sale of the Property shall be assigned to and paid to Buyer, without any adjustment of the Purchase Price.

11. Representations and Warranties of Seller. Seller represents and warrants as follows:

(a) Seller is an Oregon municipal corporation and has all requisite power and authority to own the Property and to enter into this Agreement and perform its obligations hereunder.

(b) The execution and performance of this Agreement by Seller, and the Closing contemplated hereby, will not conflict with any provision of law applicable to Seller, nor will it result in the breach of any provision of, or constitute a default under, any agreement or instrument to which Seller is a party or by which Seller is bound.

(c) This Agreement and the documents to be delivered by Seller at the Closing have been duly authorized by all necessary corporate action on the part of Seller, and have been (or will be, as applicable) duly executed and delivered by Seller.

(d) Seller has not entered into any agreement other than this Agreement that gives any person or entity any present or future right to acquire the Property or any rights or interest, including leases, in or to the Property or any portion thereof.

(e) Except as disclosed to Buyer, there are no transactions, suits, proceedings, litigation (including zoning or other land use proceedings), condemnation, or investigations pending or, to Seller's knowledge, threatened against or affecting the Property or Seller (as the owner of the Property) in any court at law or in equity, or before or by any governmental department, commission, board, agency, or instrumentality, that would prevent Seller from meeting all of its obligations under this Agreement or that would result in a material adverse change in the condition of the Property.

(f) Seller has not received written notification from any governmental authority specifying any non-compliance of the Property or any portion thereof with applicable codes, statutes, ordinances, or regulations.

(g) Seller is not a party to any contract or agreement, nor are there any contracts or agreements, affecting or relating to the Property that may not be terminated by Seller on the Closing Date.

(h) Seller is not a foreign person as defined in Internal Revenue Code Section 1445(f)(3).

(i) There are no leases or tenancies in effect relating to the Property or other rights of third parties to use the Property (inclusive of the improvements thereon).

The representations and warranties of Seller set forth in this Section 11 shall survive Closing for a period of one (1) year. If Buyer discovers after Closing that any representation and warranty made by Seller that is of a material nature is not true in any material respect, Buyer shall have the right to pursue any available remedy against Seller, including the recovery of actual damages, but excluding any consequential or punitive damages.

12. Property Purchased "AS IS". Except as expressly set forth in this Agreement, the Property is being sold and conveyed "as is," "where is," and "with all faults" and Seller has not made, does not make, and hereby disclaims any and all express or implied representations and warranties regarding or relating to the condition, suitability for any particular purpose, susceptibility to flooding, value, marketability, or zoning of the Property, or with respect to use and occupancy restrictions, compliance with environmental laws and laws and regulations relating to hazardous substances, toxic wastes and underground storage tanks, and all legal requirements

affecting or relating to the Property. Buyer acknowledges that, except as expressly set forth in this Agreement, no such representations or warranties, express or implied, have been made. Buyer acknowledges that any and all information, feasibility or marketing reports, environmental or physical condition reports, or other information of any type that Buyer has received or may receive from Seller or Seller's agents is furnished on the express condition that Buyer shall or would make an independent verification of the accuracy of any and all such information, all such information being furnished without any warranty whatsoever. Buyer shall rely upon its own inspection and its own professional advisors in its examination of the Property and all improvements thereon. Buyer hereby represents, warrants, and covenants to Seller that, Buyer has conducted Buyer's own investigation of the Property and the physical condition thereof, including, without limitation, accessibility and location of utilities, use of hazardous materials on, from, or under the Property, permissible uses, zoning, covenants, conditions and restrictions, and other matters which in Buyer's judgment are necessary or advisable or might affect or influence Buyer's use of the Property, or bear upon the value and suitability of the Property for Buyer's intended purposes, or Buyer's willingness to enter into this Agreement. Buyer recognizes that Seller would not sell the Property except on an as is, where is, and with all faults basis, and acknowledges that Seller has made no representations or warranties of any kind in connection with the Property. Buyer expressly waives all claims it may have against Seller in any way relating to the Property or its condition, with the sole exception of Buyer's claims under this Agreement, and the Deed being delivered by Seller. The terms and covenants of this Section 12 shall survive the Closing and the delivery of the Deed, or any termination of this Agreement.

13. Survival. None of the terms, covenants, conditions, representations, warranties and agreements of this Agreement shall survive Closing or any termination of this Agreement, except as otherwise expressly provided to the contrary herein.

14. Real Estate Commissions. Buyer and Seller each represent and warrant to the other that no brokers' or real estate commissions will be due as a result of the transaction contemplated by this Agreement. Subject to limitations of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 to 30.300), Seller agrees to indemnify, defend, and save harmless Buyer from and against any cost and expense (including reasonable attorney fees) incurred by Buyer as a result of the untruth of the foregoing representation by Seller, or any claims by a broker for payment of a commission by Buyer based upon the actions of Seller. Subject to limitations of the Oregon Constitution and the Oregon Tort Claims Act (ORS 30.260 to 30.300), Buyer agrees to indemnify, defend, and save harmless the Seller from and against any cost and expense (including reasonable attorney fees) incurred by Seller as a result of the untruth of the foregoing representation by Buyer, or any claims by a broker for payment of a commission by Seller based upon the actions of Buyer. The terms and covenants of this Section 14 shall survive the Closing.

15. Assignment. Neither Buyer nor Seller may assign or otherwise transfer any of its rights or obligations under this Agreement.

16. Default. If Buyer fails, without legal excuse, to complete the purchase of the Property as contemplated by this Agreement, Seller may, as Seller's exclusive remedy, terminate this Agreement by delivery of written notice to Buyer, and receive a reimbursement of all of Seller's out of pocket costs and expenses incurred in connection with this Agreement, as liquidated and agreed upon damages.

If Seller does not satisfy any of its obligations under this Agreement, without legal excuse, Buyer may, as Buyer's exclusive remedy, elect to: (a) terminate this Agreement by delivery of written notice to Seller, and receive a reimbursement of all Buyer's out of pocket costs and expenses incurred in connection with this Agreement, as liquidated and agreed upon damages, or (b) seek specific performance.

The foregoing limitations of remedies and liquidated damages provisions shall not apply to the parties' indemnity obligations under this Agreement.

17. Time of the Essence. The parties agree that time shall be of the essence in the performance of all of the terms and conditions of this Agreement. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act must be performed, or by which Closing must be held, expires on a Saturday, Sunday, or a holiday, then such time period shall be automatically extended to the next day that is not a Saturday, Sunday, or a holiday.

18. Captions, Construction. Headings or captions appearing in this Agreement are for convenience only and are not to be considered in interpreting this Agreement. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

19. Entire Agreement. The parties acknowledge that this Agreement contains the entire agreement between the parties with respect to the transaction contemplated hereby, and supersedes any prior oral or written understandings. No modification of this Agreement and no waiver of any of its terms or conditions shall be effective unless made in writing and duly executed by both parties.

20. Successors and Assigns. This Agreement shall be binding on the parties and their respective successors and permitted assigns.

21. Notices. Any notice, consent or other communication permitted or required by this Agreement shall be in writing, and shall be given to each party, at the address set forth below, in the following manner: (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, together with email transmission. Each such notice shall be deemed to have been given upon receipt or refusal to accept delivery. Unless and until changed as provided below, the addresses for notices given pursuant to this Agreement shall be as follows:

to Buyer: City of Wilsonville
29799 SW Town Center Loop E
Wilsonville, OR 97070
Attn: Chris Neamtzu, Community Development Director
Email: neamtzu@ci.wilsonville.or.us

with a copy to : City of Wilsonville
29799 SW Town Center Loop E

Wilsonville, OR 97070
Attn: Amanda Guile-Hinman, City Attorney
Email: guile@ci.wilsonville.or.us

to Seller: West Linn-Wilsonville School District
22210 SW Stafford Road
Tualatin, Oregon 97062
Attn: Pat McGough
Email: mcgoughp@wlwv.k12.or.us

with a copy to: Miller Nash LLP
111 SW 5th Avenue, Suite 3400
Portland, Oregon 97204
Attn: James M. Walker
Email: james.walker@millernash.com

22. Controlling Law. This Agreement will be governed by and construed in accordance with the laws of the state of Oregon.

23. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Execution of this Agreement by the parties hereto may be evidenced by the transmission of electronic copies (including copies executed by .PDF or DocuSign), which shall have the same effect as an original.

24. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[signatures follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SELLER:

WEST LINN-WILSONVILLE SCHOOL DISTRICT,
an Oregon municipal corporation

By: _____
Name:
Title:

BUYER:

CITY OF WILSONVILLE,
an Oregon municipal corporation

By: _____
Name:
Title:

EXHIBIT A-1

Legal Description

A portion of the following described property:

LEGAL DESCRIPTION

PARCEL I:

A tract of land situated in the Southeast one-quarter of Section 12, Township 3 South, Range 1 West of the Willamette Meridian, in the County of Clackamas and State of Oregon, more particularly described as follows:

Commencing at a stone in a monument box at the Southeast corner of said Section 12; thence tracing the South line of said Section 12 and the centerline of Boeckman Road South 89°46'58" West 1,519.10 feet; thence North 0°02'40" East 30.00 feet to a 5/8" iron rod on the North right-of-way line of Boeckman Road and the true point of beginning of this description; thence continuing North 0°02'40" East 828.00 feet to a 5/8" iron rod; thence South 89°46'58" West 511.16 feet; thence South 0°02'40" West 828.00 feet to the North right-of-way line of said Boeckman Road; thence along said North right-of-way line North 89°46'58" East 511.16 feet to the true point of beginning.

Bearings in this description are based on 'LP 064' (Clackamas County Restoration Survey).

PARCEL II:

A tract of land situated in the Southeast one-quarter of Section 12, Township 3 South, Range 1 West of the Willamette Meridian, in the County of Clackamas and State of Oregon, described as follows:

BEGINNING at stone in monument box at the Southeast corner of said Section 12; thence tracing the South line of said Section 12 and the center line of Boeckman Road South 89°46'58" West 925.63 feet to the Southwest corner of a tract of land conveyed by Theodore C. Hopper to Walter O. and Doris A. Wehler recorded as Recorder's Fee No. 73-35929, Clackamas County Records (found 5/8-inch iron rod bears North 00°02'40" East 30.21 feet); thence continuing South 89°46'58" West 33.00 feet; thence North 00°02'40" East (parallel to the East line of the Southeast one-quarter of said Section 12) 30.00 feet to a point on the North right-of-way line of Boeckman Road (5/8-inch iron rod set by L. S. 475 bears South 63° East 0.13 feet); thence continuing North 00°02'40" East along the West line of a tract of land described in Warranty Deed from James A. Hathaway to Dale I. Kreilkamp, recorded as Recorder's Fee No. 86-01354, Clackamas County Records, North 00°02'40" East 422.00 feet to the true point of beginning of this description; thence South 89°46'58" West 540.47 feet; thence South 00°20'40" West 422.00 feet to a point on the North right-of-way line of said Boeckman Road (30.00 feet North of center line); thence tracing said North line South 89°46'58" West 20.00 feet; thence North 00°02'40" East 828.00 feet to a point on the South line of a tract of land described in Warranty Deed from Hubert Hutchcroft and Gladys B. Hutchcroft to Robert Coats, recorded in Book 641, Page 199, June 9, 1964, Clackamas County Deed Records; thence along said South line and also the South line of a tract of land conveyed by Berry K. Fuller and Stanley Kruse, co-executors of the estate of Mary W. Kruse to Ernest R. and Pauline V. Russel, recorded as Recorder's Fee No. 74-5153, Clackamas County Records, North

(Continued)

89°46'58" East 560.47 feet to the Northwest corner of the Kreilkamp Tract described in said Recorder's Fee No. 86-01354, Clackamas County Records; thence along the West line of said Kreilkamp Tract South 00°02'40" West 406.00 feet to the true point of beginning of this description. Bearings in this description are based on 'LP 064' (Clackamas County Restoration Survey).

EXCEPTING THEREFROM that portion thereof contained in Deed to Louie M. Pike, et ux, recorded February 9, 1989, Recorder's Fee No. 89 06039, Clackamas County Records.

EXHIBIT A-2

Depiction of Land

Parcel 2, as shown below:

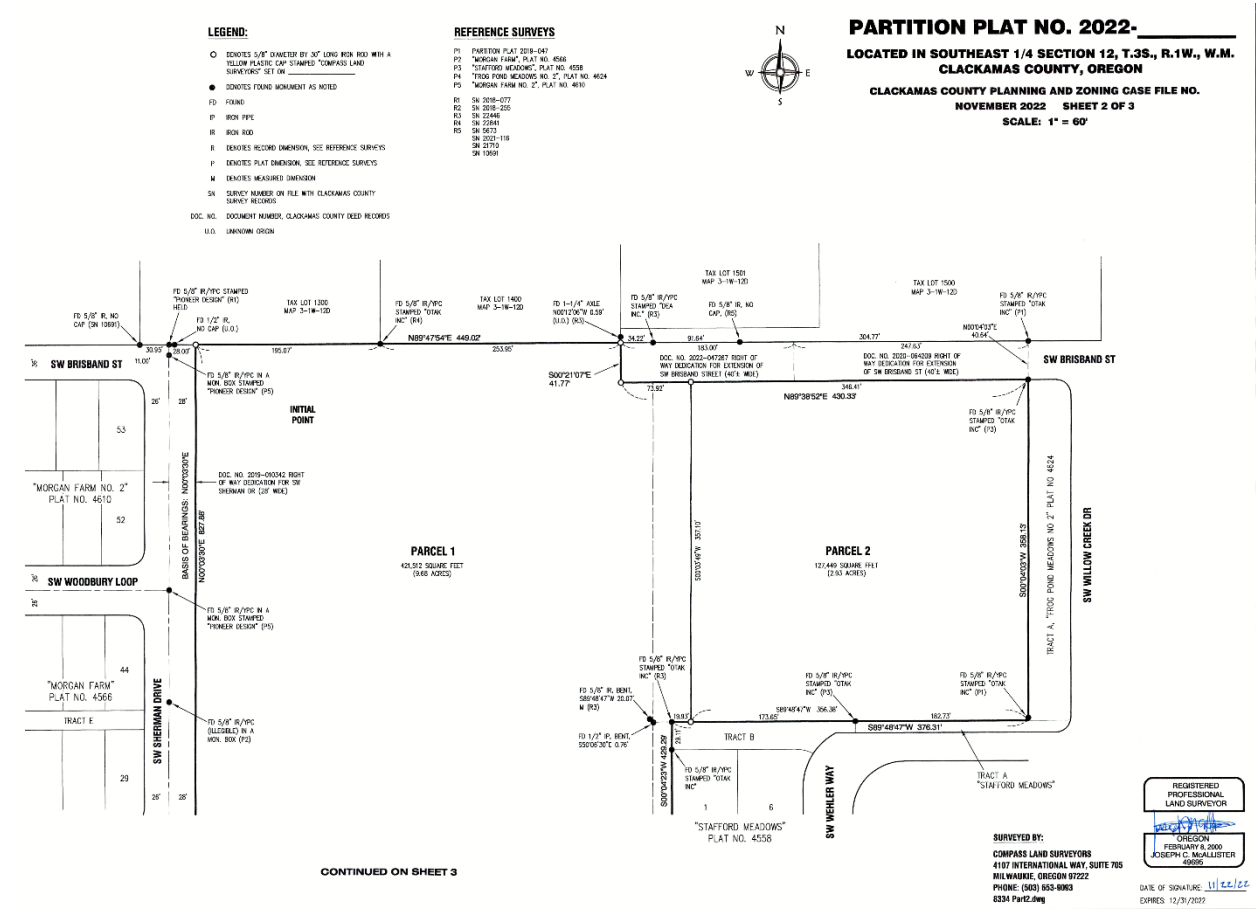


EXHIBIT B
Statutory Special Warranty Deed

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

After recording return to:

STATUTORY SPECIAL WARRANTY DEED

_____, a _____ (“Grantor”) conveys and specially warrants to _____,
a _____ (“Grantee”), that certain real property situated in _____ County, Oregon,
legally described on **Exhibit A** attached hereto and incorporated herein by this reference, free of
encumbrances created or suffered by Grantor except as set forth on **Exhibit B** attached hereto and
incorporated herein by this reference.

The true consideration for this conveyance is \$_____.

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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED this ____ day of _____, 20__.

GRANTOR:

_____,
a _____

[Insert notary block]

Exhibit A to Deed

Legal Description

Exhibit B to Deed

Encumbrances