

## ORDINANCE NO. 1301

**AN ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A CONTRACT FOR THE PURCHASE OF THIRTY-FOUR AND ONE-HALF (34.5) ACRES OF REAL PROPERTY FOR FUTURE EXPANSION OF THE WASTEWATER TREATMENT FACILITY AND FUTURE PARK LAND; AND DECLARING AN EMERGENCY.**

### **THE CITY OF CANBY ORDAINS AS FOLLOWS:**

**Section 1.** Purchase Authorized. The Canby City Administrator is hereby authorized and directed to make, execute and declare in the name of the City of Canby and on its behalf, a contract with Three Sisters Ranch LLC for the purchase of the following described real property for expansion of the City's Wastewater Treatment facility and future park land:

Tax Lot 300 of T3 R1 E, SE 27, in the County of Clackamas and State of Oregon consisting of approximately thirty-four and one-half (34.5) acres.

**Section 2.** Purchase Price. The total purchase price to be the sum of Seven Hundred Fifty Thousand and no/100 dollars (\$750,000.00). The total price is to be paid in full at closing. A copy of the Sale Agreement and Receipt for Earnest Money entered into between the parties is attached hereto and marked as Exhibit "A" thereto. The City Administrator is authorized to complete the transaction according to the terms of Exhibit "A".

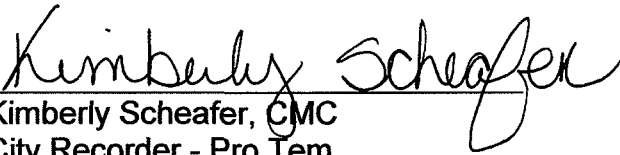
**Section 3.** Budgeted Funds to Pay Purchase Price. The purchase price is to be paid from the City's current fiscal budget line item number 306-318-434-7810, entitled "Sewer Project Reserve" account.

**Section 4.** City Attorney to Approve Title Report and Deed. The City Attorney shall first approve the preliminary title report and form of deed for the City's purchase of said property. Purchase price insuring the City's vendee interest in said property is to be furnished at the expense of the buyer and free and clear of all liens or encumbrances except for the usual printed exceptions.

**Section 5.** City Administrator to Execute Deed. The City Administrator or his designee is hereby authorized and directed to execute and deliver in the name of and on behalf of the City of Canby, as purchaser, the required deed and any other documents as may be required for closing the transaction.

Section 6. Emergency Declared. Inasmuch as it is necessary to proceed as quickly as possible with the purchase of this property and closing of the transaction for the use and benefit of the City, and for the general welfare of the residents, an emergency is hereby declared to exist and this ordinance shall take effect immediately after final reading and enactment by the Canby City Council.

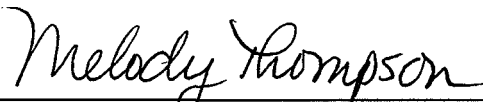
**SUBMITTED** to the Canby City Council and read the first time at a special meeting thereof on December 10, 2008, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and to come before the City Council for final reading and action at a regular meeting thereof on December 17, 2008, commencing at the hour of 7:30 P.M. in the Council Meeting Chambers at 155 NW 2<sup>nd</sup> in Canby, Oregon.

  
Kimberly Scheafer, CMC  
City Recorder - Pro Tem

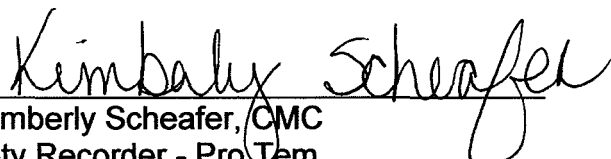
**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 17th day of December, 2008, by the following vote:

YEAS 6

NAYS 0

  
Melody Thompson, Mayor

**ATTEST:**

  
Kimberly Scheafer, CMC  
City Recorder - Pro Tem

**SALE AGREEMENT AND  
RECEIPT FOR EARNEST MONEY**

DATE: Dec 8<sup>th</sup>, 2008

SELLER: Three Sisters Ranch, LLC  
Esther Nelson, Manager  
2753 NW Calumet Terrace  
Portland OR 97210

BUYER: The City of Canby, an Oregon municipal corporation  
182 N. Holly  
P. O. Box 930  
Canby OR 97013

**Recital**

Seller desires to sell to Buyer and Buyer desires to purchase from Seller certain real property with all improvements located on it commonly known as 1570 NE Territorial Road, Canby, Oregon, consisting of approximately 34.5 acres of land:

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T3 R1 E, SE 27, Tax Lot 300 (complete legal description to follow).

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**Agreement**

Now, therefore, for valuable consideration, the parties agree as follows:

**1. Sale and Purchase.** Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of \$750,000 (the "Purchase Price"). An appraisal of the property was conducted at the request of the Buyer. Based on the appraisal by PGP Valuation, Inc. dated September 29, 2008, it was determined that the purchase price is below the fair market value of \$1,150,000. Seller has agreed to sell the property to Buyer below the appraised fair market value and will claim the difference as a tax deductible charitable contribution. Buyer will support Seller's efforts to obtain such tax contribution deduction but does not represent and cannot guarantee that any such tax deduction will be granted.

**2. Earnest Money.** Seller hereby acknowledges receipt of the sum of \$10,000 paid by Buyer as earnest money. The earnest money will be applied to the Purchase Price on the Closing Date, as that term is defined below.

**3. Payment of Purchase Price.** The Purchase Price must be paid as follows:

**3.1** At Closing, the earnest money will be credited to the Purchase Price.

3.2 At Closing, Buyer must pay the balance of the purchase price (to wit \$740,000) in cash.

4. **Closing.** Time is of the essence. Closing must take place on a mutually agreed date, but in no event later than December 30, 2008 (the "Closing Date"), at the offices of Fidelity National Title, in Portland, Oregon, escrow agent Vicki Kryszak. The terms *closed*, *closing* or *closing date* mean when the deed is recorded and funds are available to Seller (during tax year 2008). Buyer shall pay the escrow fee.

5. **Preliminary Title Report.** Within 10 days after full execution of this Agreement, Seller will furnish to Buyer at Buyer's expense a preliminary title report showing the condition of title to the Property, together with copies of all exceptions listed therein (the "Title Report"). Buyer will have 10 days from receipt of the Title Report to review the Title Report and to notify Seller, in writing, of Buyer's disapproval of any special exceptions shown in the Title Report. Those exceptions the Buyer does not object to are referred to below as the "Permitted Exceptions." Zoning ordinances, building restrictions, taxes that are not yet paid for the current tax year, and reservations in federal patents and state deeds will be deemed Permitted Exceptions. If Buyer notifies Seller in writing of disapproval of any exceptions, Seller will have 15 days after receiving the disapproval notice to either remove the exceptions or provide Buyer with reasonable assurances of the manner in which the exceptions will be removed before the transaction closes (the "Seller Assurance Period"). If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this Agreement by written notice to Seller given within 15 days after expiration of the Seller Assurance Period, in which event the earnest money will be refunded to Buyer and, when applicable, this Agreement will be of no further binding effect.

6. **Property Conditions.** Seller warrants that the Property is in good clean condition and to the best of Seller's knowledge free of any Hazardous Substances (as defined in **Section 22**) and that the Property does not contain any underground fuel or oil storage tanks. Buyer will have until December 17, 2008 to inspect the Property and perform any required environmental due diligence thereon that Buyer deems appropriate, as more particularly provided in **Section 7.1**.

7. **CONTINGENCIES OF CLOSING.** The following contingencies of sale (each a "Contingency" or collectively "Contingencies") must be satisfied or waived not later than the date indicated below, unless such date is extended by mutual agreement of the parties.

7.1 **Buyer's Due Diligence.** For a period of time commencing with the Effective Date of this Sale Agreement, and continuing through December 17, 2008 (the "**Due Diligence Period**"), Buyer and its consultants shall have access to the Property, at Buyer's sole expense and risk, for the purpose of determining the condition of the Property and conducting all tests, studies, inspections, surveys, audits, environmental assessments (Level I), geotechnical assessment, soil condition reports, and evaluations of the Property as Buyer deems necessary to enable Buyer to approve all aspects of the Property, including, without limitation, zoning; land use restrictions; environmental condition; soil and ground water conditions in and about the Property; the types, location, size, capacity, adequacy and other specifications for existing

utilities; the Standards; and the ability and suitability of the Property for Buyer to develop and use the Property as may be desired by Buyer ("**Due Diligence**"). Seller hereby grants Buyer's consultants the right to enter upon the Property, at Buyer's sole expense and risk, to conduct studies which require Buyer's entry onto the Property. Prior to entry upon the Property for such studies, Buyer shall notify Seller as to the date or dates of the entry. If, during the Due Diligence Period, Buyer is dissatisfied with any aspect of the Property, or any item related to the Property, then Buyer shall be entitled to terminate this Sale Agreement by delivering written notice of such termination to Seller on or before the end of the Due Diligence Period, whereupon this Sale Agreement shall be terminated and of no further force or effect. If Buyer does not reject the Property by giving written notice of termination to Seller within the Due Diligence Period, then Buyer shall be deemed to have waived this Contingency and right to terminate. If the Level I environmental assessment recommends a Level II evaluation, Buyer may present to Seller a request to extend the Due Diligence date and Closing date to allow completion of the Level II evaluation. Seller, in its discretion, may reject the request for extension. If Seller does reject request for extension, this Agreement becomes null and void and Seller will return earnest money to Buyer.

**7.2 Waiver/Satisfaction of Contingencies.** The Contingencies set forth above in Section 7.1 may be waived only by Buyer. Unless the Contingencies are satisfied or deemed waived by expiration of the time limit as set forth above, this Sale Agreement shall terminate without liability to either party except as provided in Section 17.

**8. Marketable Title; Deed.** On the Closing Date, unless agreed otherwise herein, Seller will convey marketable title to the Property by statutory warranty deed, free and clear of all liens of record, excepting property taxes that are not yet payable, zoning ordinances, building and use restrictions, reservations in federal patents, and the Permitted Exceptions.

**9. Title Insurance.** Within 15 days after Closing, Seller (at Buyer's expense) must furnish Buyer with an American Land Title Association owner's policy of title insurance in the amount of the purchase price, insuring Buyer as the owner of the Property subject only to the usual printed exceptions and the Permitted Exceptions.

**10. Taxes; Prorates.** Real property taxes for the current tax year, insurance premiums (if Buyer assumes the existing policy), and other usual items must be prorated as of the Closing Date. The property is specially assessed as "farm use". In the event the property becomes disqualified as "farm use", Buyer will pay all deferred taxes and interest and penalties, if any.

**11. Possession.** Buyer will be entitled to possession immediately on Closing subject to a "farm house" lease with Don Richins and Lucinda Sweere, a copy of which is attached as Exhibit A. Seller discloses to Buyer there is a verbal annual agricultural lease to Craig Zielinski which is to expire on December 31, 2008 subject to the law of emblements. Buyer may wish to consult with Craig Zielinski in the event Buyer wishes to continue any agricultural use of the property.

**12. Property Included.** All built-in appliances, floor coverings, window and door screens, storm doors and windows, irrigation, plumbing, ventilation, cooling and heating fixtures and equipment, water heaters, attached electric light fixtures, window coverings, awnings, attached television antenna, planted shrubs, plants, and trees, and all fixtures are part of the Property and must be left on the Property.

**13. Personal Property.** There is no personal property included in the sale of the real property.

**14. Binding Effect/Assignment Restricted.** This Agreement is binding on and will inure to the benefit of Seller, Buyer, and their respective heirs, legal representatives, successors, and assigns. Nevertheless, Buyer will not assign its rights under this Agreement without Seller's prior written consent, which may be withheld in Seller's sole discretion.

**15. REPRESENTATIONS AND WARRANTIES OF SELLER**

**15.1 Legal Authority.** Seller has the legal power, right, and authority to enter into this Sale Agreement and the instruments referred to in this Sale Agreement and to consummate the transaction contemplated in this Sale Agreement.

**15.2 Condition of the Property.** The Property is free and clear of all liens or encumbrances, except those special exceptions noted on the Title Report. To the best of Seller's knowledge and belief, the Property is in good clean condition and free of any Hazardous Substances, as defined below, and no underground fuel or oil tank has been located on the Property.

**15.2.1** There are no actions, suits, proceedings, orders or investigations pending or, to the best of Seller's knowledge, threatened against or affecting Seller or the Property which might adversely affect Seller's performance under this Sale Agreement or the consummation of the transaction contemplated hereby;

**15.2.2** All taxes and assessments and other governmental or quasi-governmental levies of any kind which are due for payment prior to the date hereof, the non-payment of which would in any way affect the Property or any part thereof, have been paid, or shall be paid by Seller, prior to or at the Closing Date, together with all interest and penalties thereon;

**15.2.3** There are no unpaid bills, claims, or liens pending or contemplated by mechanics, materialmen, surveyors, or others, recorded or unrecorded, in connection with the Property;

**15.2.4** Nothing prohibits Seller from entering into this Sale Agreement with Purchaser. No other person or entity has an interest in the Property, except as set forth in the Permitted Encumbrances; and

**15.2.5 Seller's Representations.** Subject to Seller's written representations contained herein, and any statutory property disclosures given as part of this transaction (see Exhibits B and C), Buyer acknowledges that Buyer has accepted and executed this Agreement on the basis of Buyer's own examination and personal knowledge of the Property; that Seller and Seller's agents have made no representations, warranties, or other agreements concerning matters relating to the Property; that Seller and Seller's agents have made no agreement or promise to alter, repair, or improve the Property; and that Buyer takes the Property in its present condition "AS IS."

## **16. REPRESENTATIONS AND WARRANTIES OF BUYER**

In addition to any other covenants, representations, or warranties of Buyer contained in this Sale Agreement, the following constitute representations and warranties of Buyer to Seller:

**16.1 Legal Authority.** Buyer has the legal power, right, and authority to enter into this Sale Agreement and the instruments referred to in this Sale Agreement and to consummate the transaction contemplated in this Sale Agreement.

**16.2 Corporate Action.** All requisite legal action has been taken by Buyer in connection with entering into this Sale Agreement and the instruments referred to in this Sale Agreement and with the consummation of the transaction contemplated herein. No further consent of any city council, board of commissioners or other governmental authority is required.

**16.3 Authorized Agent.** The person executing this Sale Agreement and the instruments referred to in this Sale Agreement on behalf of Buyer has the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Sale Agreement. Buyer shall deliver to the Escrow Agent, concurrently with the Earnest Money, a copy of the resolution approved by the Canby City Council confirming this authorization.

**16.4 Binding Obligations.** This Sale Agreement and all documents required by it to be executed by Buyer are and shall be valid and legally binding obligations of Buyer and shall be enforceable against Buyer in accordance with their terms.

**16.5 No Conflict.** Neither the execution and delivery of this Sale Agreement and documents referred to herein, nor the incurring of the obligations set forth in this Sale Agreement, nor the consummation of the transaction contemplated, nor compliance with the terms of this Sale Agreement and the documents referred to herein conflict with or result in the material breach of any terms, conditions, or provisions of or constitute a default under any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease, or other agreements or instruments to which Buyer is a party.

**17. Remedies. TIME IS OF THE ESSENCE REGARDING THIS AGREEMENT.** If the conditions described above are satisfied or waived by Buyer and the transaction does not thereafter close, through no fault of Seller, before the close of business on the Closing Date, Seller will have the right to retain all earnest money as liquidated damages. If Seller fails to deliver the deed described above on the Closing Date or otherwise fails to consummate this transaction through no fault of Buyer, all earnest money must be refunded to Buyer.

**18. Attorney Fees; Arbitration.** If an action is instituted to enforce or interpret all or any portion of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in the action as set by the trial court or arbitrator, as the case may be, and, in the event of appeal, as set by the appellate court. All disputes between Seller and Buyer that cannot otherwise be resolved by negotiation or mediation must be submitted to final and binding arbitration in accordance with Oregon law. If the parties cannot agree on a mediator, either may submit the matter to the presiding judge of the county in which the Property is located for appointment of an arbitrator. Unless otherwise agreed by the parties, the rules of arbitration will be the same as those required for the arbitration of disputes in the county where the Property is located. BUYER AND SELLER UNDERSTAND THAT BY AGREEING TO FINAL AND BINDING ARBITRATION THEY ARE VOLUNTARILY WAIVING THE RIGHT TO HAVE THE MATTER TRIED BY A JUDGE OR JURY AND THAT THE RIGHT TO APPEAL AN ARBITRATION DECISION IS LIMITED UNDER OREGON LAW.

**19. Notices.** All notices and communications in connection with this Agreement must be given in writing and will be transmitted by certified or registered mail, return receipt requested, to the appropriate party at the address first set forth above. Any notice so transmitted will be deemed effective on the date it is placed in the United States mail, postage prepaid. Either party may, by written notice, designate a different address for purposes of this Agreement.

**20. Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the purchase and sale of the Property. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by both parties.

**21. Applicable Law.** This Agreement will be construed, applied, and enforced in accordance with the laws of the state of Oregon.

**22. HAZARDOUS SUBSTANCES.** "Hazardous Substances" means any and all substances, emissions, pollutants, contaminants, materials or products defined or designated as hazardous, toxic, radioactive, dangerous or regulated wastes or materials or any other similar term in or under any applicable Environmental Laws. Hazardous Substances shall also include, but not be limited to, fuels, bio-fuels, petroleum and petroleum-derived products.

**23. Statutory Warning.** 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.

SELLER:  
Three Sisters Ranch, LLC  
Esther Nelson, Manager

BUYER:  
The City of Canby

*Three Sisters Ranch, LLC*  
/s/ *Esther Nelson, Manager*

*John H. Kelley*  
/s/ *Canby City Attorney*

Dated: Dec. 5, 2008

Dated: Dec 8<sup>th</sup>, 2008

- EXHIBIT A: Rental Agreement**
- EXHIBIT B: Property Disclosure**
- EXHIBIT C: Lead Paint Disclosure**

ON CHECK  
ALLEN D. RICHINS  
1445 NW STREET  
GRESHAM 97030

HAD MOVED FROM  
20860 S HWY 99E  
CANBY

October 7, 2008

Rental Agreement: Farm House, 1570 N.E. Territorial Road, Canby, Oregon 97013

Lessee: Don Richins - Ph: 503-577-0066, 20860 S Hwy 99E, Oregon City 97045  
Lucinda Sweere - Ph: 503-347-1513

DON - ALPHA OMEGA ARTISTIC DESIGN

Lessor / Owners:

Contacts:

Doris Creedon (h) 503-620-0492 - primary contact

Catherine Davis (h) 503-266-8933

Esther Nelson (h) 503-224-1671

Three Sisters Ranch, LLC

This agreement includes the following terms and conditions:

1. The rental agreement includes the house, three small outside buildings ("as is"), and surrounding outside yard/garden area. Rent is \$1000.00 per month, due by the 5<sup>th</sup> of the month. Occupancy/possession of the property to begin October 15, 2008. *cd* *14 FREE DAYS - client to get KEYS*

Payment for rent is to be made payable to Three Sisters Ranch, LLC, and mailed c/o Nelson to 2753 N.W. Calumet Terrace, Portland, Oregon 97210. Rental payments received after the 10<sup>th</sup> of the month incur a \$25.00 late fee. *Oct 11, 2008 + MOVE IN*

2. Lease Period. The rental agreement requires a lease for the initial period of 12 months, until October 15, 2009. At the end of the initial period, the lease can be renewed for a set period of time, or occupancy can continue on a month-to-month basis. All terms of this agreement continue, whether a specific lease period or month-to-month occupancy. If tenant chooses month-to-month occupancy after the initial 12 months rather than a specific lease period, the following apply: 1) sixty days notice is required for move out, and 2) the owner also has the right to require move-out with sixty days notice to the tenant.

3. Rent and Deposit. The initial month's rent of \$1000.00 and a security/damage/cleaning deposit of \$1200.00 is due at move-in. *Your check #1059*

Owner acknowledges receiving a \$200.00 reservation deposit, plus one month's rent of \$1000.00. The \$200.00 reservation deposit will be applied to the \$1200.00 security deposit. (The additional amount due at move-in is \$1000.00.) *✓ RCOD 10/7/08 CATHERINE DAVIS*

The security/damage/cleaning deposit will be returned at the time of move-out if terms of this agreement are met, the house is undamaged and clean, and all of the tenants' possessions are removed from the property. At time of move-out, the owner will provide an itemized list of any repair/damage expenses withheld from the security/damage/cleaning deposit.

4. No Smoking. Tenant agrees that the house is a "no smoking" house. If there is any smoking on any of the outdoor premises, cigarette butts must be put in metal containers. No cigarette butts are to be put out on the ground.

5. Water. Owner provides and maintains the water well and pump (located a few feet north of the middle of the three outbuildings.) The location of the pump must be kept clear of any materials, storage, or weight. This location must always be accessible and treated as a "protected" area.

EXHIBIT A

6. Sewer Connection/ Requirements regarding use of bathroom. The house is connected to the City of Canby sewer system (since 2001). A new, replacement lift pump, was installed in July 2007 by the owners. The pump is an integral part of the function of the sewer connection and must be maintained by the owners. It is located near the west side of the house. (This location must be kept barricaded off and always be accessible.) The sewer connection line runs west from the house to the City of Canby access road. This area must be protected from any digging; No vehicle/heavy equipment can cross over or park in this area. The tenant specifically takes responsibility for protecting this connection and avoiding any possibility of damage to the pump and its impeller blades, in particular. This means that only human waste and toilet paper can be placed in the toilet. (No sanitary hygiene products, no "Swiffers," no "Downy" fabric softener dryer sheets, rags, dental floss, kids' toys, etc.) The tenant is expected to make this known to any visitors/guests to the house.

If any part of the sewer connection/bathroom is not working properly it must be immediately reported to the owner. If damage is due to negligence by the tenant, the tenant will be charged for repair.

Note: An exception was made by the City of Canby for this sewer connection. The house location is near, but not within the City of Canby boundaries.)

7. Utilities. Tenant is responsible for garbage, electricity (PGE), natural gas (Northwest Natural), and sewer charges (City of Canby) and should arrange for billing to be in their name on the date occupancy begins October 11, 2008.

8. Owner provides a kitchen stove.

9. Farmland rented separately. Tenant understands the total property at this location is 36 acres and that this rental agreement is for an area of more than one-half acre. The remaining acreage is rented separately as farmland to Craig Zielinski. Tenant agrees to reasonable care and upkeep of the exterior of the house and the outside grounds area included in the rental agreement. Tenant agrees to keep the house gutters clear and free of leaves.

10. Barn. The Barn is specifically NOT included as part of the rental and is furthermore posted as "No Trespassing." Neither tenants nor their guests are allowed in the barn. No storage is allowed in the open-end areas of the barn (east end) without a specific agreement and addendum to this lease.

11. Underground telephone cable. Tenant understands the telephone access line to the house is buried, and that Canby Telephone must be called for a cable locate before digging in the "front yard." The buried cable starts at the Canby Telephone pedestal on Territorial Road just east of the driveway. It goes under the gravel driveway and on to the house in a diagonal path. It is connected to the interface box attached to the east side of the house (low location: near large porch).

12. Insurance. Owner pays for fire insurance. Tenant understands that the owners' fire insurance policy does not cover tenants' furnishings or other personal property (including automobiles).

13. No outside "burning" by the tenant – such as a burn pile or can – is allowed. Organic yard debris (grass clippings, branches, etc.) may be placed in a location designated by the owner.

14. No use of fireplace. The fireplace in the living room is NOT operational. It is sealed on the roof and in the flue.

15. No painting without approval of the owners.

16. Tenant can not sublet any portion of the property to another party, or store any items such as vehicles / boats for other parties on the property.

17. Owner maintains the right to inspect premises, with advance notice to the tenant.

18. Tenant gives owner permission to verify his/her employment or source of income and personal references.

19. Tenant agrees that occupancy of the house will be for his personal residence and that occupancy will not include any other person unless agreed to by owner. (This does not apply to occasional guests of the tenant.)

20. No pet is allowed without specific advance agreement by the owner.

21. Pet deposit is \$200.00 per pet due at move-in.

Signed and agreed to by tenant:

Date:

Name Allen D Richins 10/7/08

Don Richins

Name Lucinda S Sweere 10/7-08

Lucinda Sweere

Signed and agreed by owner:

Catharine Davis

Three Sisters Ranch, LLC.

Security Deposit

\$1200

- 200 -

Reservation fee  
to DORIS  
CREEDON 10/4/08

\$1000

per Don

Oct 15, 2008 - Oct 31, 2008

\$500

Nov 1 - all of November

\$1000

RCUD 10/7/08

Pet Deposit

2 @ \$200 = \$400

~~PAID TO DORIS~~  
~~CREEDON~~

NEVER  
TYPED UP  
ADDENDUM -  
CATHARINE  
DAVIS  
12/3/08

Will type up addendum  
allowing MR. RICHINS to CARVE UNDER BARN OVERHANG.  
WE ARE NOT LIABLE FOR HIS THINGS IN BARN. Catharine