



Resolution 2004-080

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT TO PURCHASE REAL PROPERTY FROM BOB JONES, BOB JONES ENTERPRISES LOCATED AT 220 SE WILLAMETTE STREET. SHERWOOD, OREGON 97140

WHEREAS, it is appropriate for the City of Sherwood to purchase property located at 220 SE Willamette Street, Sherwood, Oregon; and

WHEREAS, such a sale is contingent on a Level I Environmental Assessment being approved by the City of Sherwood; and

WHEREAS, the land is situated as to be useful to the City of Sherwood and the Urban Renewal District; and

WHEREAS, this resolution is subject to legal Council approval of an agreement between the City and seller on remediation of any environmental impacts addressed in the Level 1 analysis; and

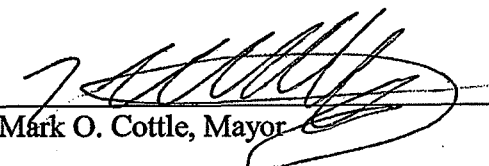
WHEREAS, City staff has negotiated for the purchase of such land;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

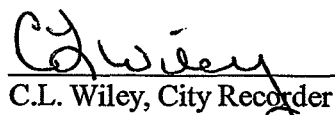
Section 1. The City Manager is authorized to sign the attached Sale Agreement and Receipt for Earnest Money.

Section 2. The City Manager is authorized to take all necessary steps to complete and consummate the transaction.

Duly passed by the City Council this 14th day of September 2004.


Mark O. Cottle, Mayor

Attest:


C.L. Wiley, City Recorder

PURCHASE AND SALE AGREEMENT AND RECEIPT FOR EARNEST MONEY

1 Dated: August 23, 2004
2 BETWEEN: Bob Jones Enterprises ("Seller")
3 Address: _____
4 AND: City of Sherwood Oregon or Urban Renewal Agency of Sherwood
5 ("Buyer")
6 Address: _____

7 Buyer offers to buy and acquire from Seller (i) the real property and all improvements
8 thereon commonly known as the Cannery Property comprised of approximately 6.2-ares
9 of land and associated buildings located on property bordered by Washington Street,
10 BN Railroad trackline and soon to be dedicated Pine Street in the City of Sherwood,
11 County of Washington, Oregon legally described on Exhibit A, attached hereto and
12 incorporated herein by reference (the "Property") and [check box if applicable , (ii) all of
13 Seller's right, title and interest in and to certain lease(s) by which the Property is demised as
14 described on Exhibit B attached hereto and incorporated herein by reference (the "Leases").
15 If no legal description is attached, Buyer and Seller will attach a legal description upon
16 receipt and reasonable approval by both parties of the Preliminary Commitment or, if
17 applicable, the Survey. As partial consideration for the assignment of the Lease(s) to
18 Buyer, at the Closing (as defined in Section 7 hereof) Buyer shall assume all of the
19 obligations of the Lessor under the Lease which first accrue on or after the Closing Date (as
20 defined in said Section 7). The parties shall accomplish such assignment and assumption by
21 executing and delivering to each other through Escrow an Assignment of Lessor's Interest
22 Under Lease substantially in the form of Exhibit B attached hereto (the "Assignment"). The
23 occupancy of the Property by the Lessees under such Leases are hereinafter sometimes
24 referred to as the "Tenancies".
25

26 1. Purchase Price. The total purchase price is One Million Eight Hundred
27 Twenty Four Thousand dollars (\$1,824,000) (the "Purchase Price") payable as follows: See
28 Addendum.
29

30 1.1. Earnest Money Deposit. Upon execution of this Agreement, Buyer shall deliver
31 to the Escrow Holder as defined in herein, for the account of Buyer Twenty Five Thousand
32 Dollars(\$25,000) as earnest money (the "Earnest Money") in the form of cash or check
33 or promissory note (the "Note"). If the Earnest Money is in the form of a check being held
34 un-deposited by the Listing Selling Firm, it shall be deposited no later than 5 PM
35 Pacific Time three days after execution of the Agreement by Buyer and Seller in the
36 Listing Selling Firm's Clients' Trust Account to the Escrow (as hereinafter defined). If
37 the Earnest Money is in the form of the Note, it shall be due and payable no later than 5 PM
38 Pacific Time one day after execution of this Agreement by Buyer and Seller or after
39 satisfaction or waiver by Buyer of the conditions to Buyer's obligation to purchase the
40 Property set forth in this Agreement or Other: _____. If the Note is not redeemed and paid
41 in full when due, then (i) the Note shall be delivered and endorsed to Seller (if not already in
42 Seller's possession), (ii) Seller may collect the Earnest Money from Buyer, either pursuant to
43 an action on the Note or an action on this Agreement, and (iii) Seller shall have no further
44 obligations under this Agreement. The purchase and sale of the Property shall be

1 accomplished through an escrow (the "Escrow") which Seller has established or will establish
2 with First American Title Company, 200 SW Market Street, Suite 250, Portland, Oregon
3 Attn: Mavis Kimball (the "Title Company) and the Earnest Money shall be deposited with
4 Title Company or Other: _____ The Earnest Money shall be applied to the payment of the
5 purchase price for the Property at Closing. Any interest earned on the Earnest Money shall
6 be considered to be part of the Earnest Money. The Earnest Money shall be returned to
7 Buyer in the event any condition to Buyer's obligation to purchase the Property shall fail to be
8 satisfied or waived through no fault of Buyer.

9
10 **2. Conditions to Purchase.** Buyer's obligation to purchase the Property is
11 conditioned on the following: none or Buyer's approval of the results of (i) the Property
12 inspection described in Section 3 below and (ii) the document review described in Section 4
13 and (iii) (describe any other condition)(See Addendum). If for any reason in Buyer's sole
14 discretion, Buyer has not given written waiver of these conditions, or stated in writing that
15 these conditions have been satisfied, by written notice given to Seller within Thirty (30) days
16 after the delivery of a fully executed Agreement to Buyer and Seller, this Agreement shall be
17 deemed automatically terminated, the Earnest Money shall be promptly returned to Buyer, and
18 thereafter, except as specifically provided to the contrary herein, neither party shall have any
19 further right or remedy hereunder.

20
21 **3. Property Inspection.** Seller shall permit Buyer and its agents, at Buyer's
22 sole expense and risk, to enter the Property at reasonable times after reasonable prior
23 notice to Seller and after prior notice to the tenants of the Property as required by the
24 tenants' leases, if any, to conduct any and all inspections, tests, and surveys concerning the
25 structural condition of the improvements, all mechanical, electrical and plumbing systems,
26 hazardous materials, pest infestation, soils conditions, wetlands, Americans with Disabilities
27 Act compliance, and all other matters affecting the suitability of the Property for Buyer's
28 intended use and/or otherwise reasonably related to the purchase of the Property including
29 the economic feasibility of such purchase. Buyer shall indemnify, hold harmless, and defend
30 Seller from all liens, costs, and expenses, including reasonable attorneys' fees and experts'
31 fees, arising from or relating to Buyer's entry on and inspection of the Property. This
32 agreement to indemnify, hold harmless, and defend Seller shall survive closing or any
33 termination of this Agreement.

34
35 **4. Seller's Documents.** Within Ten (10) days after the Execution Date, Seller
36 shall deliver to Buyer, at Buyer's address shown below, legible and complete copies of
37 the following documents and other items relating to the ownership, operation, and
38 maintenance of the Property, to the extent now in existence and to the extent such items are
39 within Seller's possession or control: site plans and lot surveys, all existing environmental
40 assessments, if any; maintenance agreements affecting the property; real estate
41 appraisals; soils and geotechnical reports; leases and/or license agreements.

42
43 **5. Title Insurance.** Within Ten (10) days after the Execution Date, Seller
44 shall open the Escrow with the Title Company and deliver to Buyer a preliminary title report
45 from the Title Company (the "Preliminary Commitment"), showing the status of Seller's title to
46 the Property, together with complete and legible copies of all documents shown therein
47 as exceptions to title ("Exceptions"). Buyer shall have Fourteen (14) days after receipt of a
48 copy of the Preliminary Commitment and Exceptions within which to give notice in writing to
49 Seller of any objection to such title or to any liens or encumbrances affecting the Property.
50 Within Ten (10) days after the date of such notice from Buyer, Seller shall give Buyer written

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1 notice of whether it is willing and able to remove the objected-to Exceptions. Within Ten (10)
2 days after the date of such notice from Seller, Buyer shall elect whether to (i) purchase the
3 Property subject to those objected-to Exceptions which Seller is not willing or able to remove
4 or (ii) terminate this Agreement. On or before the Closing Date (defined below), Seller shall
5 remove all Exceptions to which Buyer objects and which Seller agrees Seller is willing and
6 able to remove. All remaining Exceptions set forth in the Preliminary Commitment and agreed
7 to by Buyer shall be deemed "Permitted Exceptions." The title insurance policy to be
8 delivered by Seller to Buyer at Closing shall contain no Exceptions other than the Permitted
9 Exceptions, any Exceptions caused by Buyer and the usual preprinted Exceptions contained
10 in an owner's standard ALTA form title insurance policy.
11

12 6. Default; Remedies. Notwithstanding anything to the contrary contained in this
13 Agreement, in the event Buyer fails to deposit the Earnest Money Deposit in Escrow strictly
14 as and when contemplated under Section 1.1 above, Seller shall have the right at any time
15 thereafter to terminate this Agreement and all further rights and obligations hereunder by
16 giving written notice thereof to Buyer. If the conditions, if any, to Buyer's obligation to
17 consummate this transaction are satisfied or waived by Buyer and Buyer nevertheless fails,
18 through no fault of Seller, to close the purchase of the Property, Seller's sole remedy
19 shall be to retain the Earnest Money paid by Buyer. In the event Seller fails, through
20 no fault of Buyer, to close the sale of the Property, Buyer shall be entitled to pursue
21 any remedies available at law or in equity, including without limitation, the remedy of
22 specific performance. In no event shall Buyer be entitled to punitive or consequential
23 damages, if any, resulting from Seller's failure to close the sale of the Property.
24

25 7. Closing of Sale. Buyer and Seller agree the sale of the Property shall be
26 closed on or before fifteen (15) days following removal of the Buyer's Conditions to
27 Purchase or _____ days after the Execution Date (the "Closing Date") in the Escrow. The
28 sale shall be deemed "closed" when the document(s) conveying title to the
29 Property is recorded and the Purchase Price (increased or decreased, as the case may be, by
30 the net amount of credits and debits to Seller's account at Closing made by the Escrow
31 Holder pursuant to the terms of this Agreement) is disbursed to Seller. At Closing, Buyer and
32 Seller shall deposit with the Title Company all documents and funds required to close the
33 transaction in accordance with the terms of this Agreement. At Closing, Seller shall
34 deliver a certification in a form approved by Buyer that Seller is not a "foreign person"
35 as such term is defined in the Internal Revenue Code and the Treasury Regulations
36 promulgated under the Internal Revenue Code. If Seller is a foreign person and this
37 transaction is not otherwise exempt from FIRPTA regulations, the Title Company shall be
38 instructed by the parties to withhold and pay the amount required by law to the Internal
39 Revenue Service. At Closing, Seller shall convey fee simple title to the Property to Buyer by
40 statutory warranty deed or (the "Deed") _____. If this Agreement provides for the
41 conveyance by Seller of a vendee's interest in the Property by a contract of sale, Seller shall
42 deposit with the Title Company (or other mutually acceptable escrow) the executed and
43 acknowledged Deed, together with written instructions to deliver such deed to Buyer upon
44 payment in full of the purchase price. At Closing, Seller shall pay for and deliver to Buyer a
45 standard ALTA form owner's policy of title insurance (the "Policy") in the amount of the
46 Purchase Price insuring fee simple title to the Property in Buyer subject only to the Permitted
47 Exceptions and the standard preprinted exceptions contained in the Policy.
48

49 8. Closing Costs; Prorates. Seller shall pay the premium for the Policy. Seller
50 and Buyer shall each pay one-half of the escrow fees charged by the Title Company, any

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1 excise tax, and any transfer tax. Real property taxes for the tax year in which the transaction
2 is closed, assessments (if a Permitted Exception), personal property taxes, rents and other
3 Lessee charges arising from existing Tenancies paid for the month of Closing, interest on
4 assumed obligations, and utilities shall be prorated as of the Closing Date. Prepaid rents,
5 security deposits, and other unearned refundable deposits regarding the Tenancies shall
6 be assigned and delivered to Buyer at Closing. Seller Buyer N/A shall be
7 responsible for payment of all taxes, interest, and penalties, if any, upon removal of the
8 Property from any special assessment or program.
9

10 9. Possession. Buyer shall be entitled to exclusive possession of the
11 Property, subject to the Tenancies existing as of the Closing Date, on the Closing Date or
12 See Addendum.
13

14 10. Condition of Property. Seller represents that, to the best of Seller's knowledge
15 without specific inquiry, Seller has received no written notices of violation of any laws, codes,
16 rules, or regulations applicable to the Property ("Laws"), and Seller is not aware of any such
17 violations or any concealed material defects in the Property which cost more than \$_____ to
18 repair or correct. Risk of loss or damage to the Property shall be Seller's until Closing and
19 Buyer's at and after Closing. No agent of Buyer or Seller has made any representations
20 regarding the Property. BUYER AND SELLER AGREE THAT THE REAL ESTATE LICENSEES
21 NAMED IN THIS AGREEMENT HAVE MADE NO REPRESENTATIONS TO ANY PARTY
22 REGARDING THE CONDITION OF THE PROPERTY, THE OPERATIONS ON OR INCOME
23 FROM THE PROPERTY, THE TENANCIES, OR WHETHER THE PROPERTY OR THE USE
24 THEREOF COMPLIES WITH LAWS. Except for Seller's representations set forth in this
25 section 10, Buyer shall acquire the Property "as is" with all faults and buyer shall rely on the
26 results of its own inspection and investigation in Buyer's acquisition of the Property. It shall
27 be a condition of Buyer's obligation to close, and of Seller's right to retain the Earnest Money
28 as of Closing, that all of the Seller's representations and warranties stated in this Agreement
29 are materially true and correct on the Closing Date. Seller's representations and warranties
30 stated in this Agreement shall survive Closing for one (1) year.
31

32 11. Personal Property. This sale includes the following personal property:
33 None or the personal property located on and used in connection with the Property and
34 owned by Seller which Seller shall itemize in a schedule. Seller shall deliver to Buyer such
35 schedule within _____ days after the Execution Date. Seller shall convey all personal
36 property owned by Seller on or in the Property to Buyer by executing and delivering to Buyer
37 at Closing through Escrow a Bill of Sale substantially in the form of Exhibit C attached hereto
38 and incorporated herein by reference (the "Bill of Sale").
39
40

41 12. Notices. Unless otherwise specified, any notice required or permitted in,
42 or related to, this Agreement must be in writing and signed by the party to be bound. Any
43 notice will be deemed delivered (i) when personally delivered or delivered by facsimile
44 transmission (with electronic confirmation of delivery), or (ii) on the day following delivery
45 of the notice by reputable overnight courier, or (iii) three (3) days after mailing in the U.S.
46 mails, postage prepaid, by the applicable party in all events, to the address of the other party
47 shown in this Agreement, unless that day is a Saturday, Sunday, or legal holiday, in which
48 event it will be deemed delivered on the next following business day. If the deadline under
49 this Agreement for delivery of a notice or payment is a Saturday, Sunday, or legal holiday,
50 such last day will be deemed extended to the next following business day.

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2 13. Assignment. Buyer may not assign may assign may assign, only if
3 the assignee is an entity owned and controlled by Buyer (may not assign, if no box is
4 checked) this Agreement or Buyer's rights under this Agreement without Seller's prior written
5 consent. If Seller's consent is required for assignment, such consent may be withheld in
6 Seller's reasonable discretion.
7

8 14. Attorneys' Fees. In the event a suit, action, arbitration, or other proceeding of
9 any nature whatsoever, including without limitation any proceeding under the U.S. Bankruptcy
10 Code, is instituted, or the services of an attorney are retained, to interpret or enforce any
11 provision of this Agreement or with respect to any dispute relating to this Agreement, the
12 prevailing party shall be entitled to recover from the losing party its attorneys', paralegals',
13 accountants', and other experts' fees and all other fees, costs, and expenses actually
14 incurred and reasonably necessary in connection therewith (the "Fees"). In the event of suit,
15 action, arbitration, or other proceeding, the amount of Fees shall be determined by the judge
16 or arbitrator, shall include all costs and expenses incurred on any appeal or review, and shall
17 be in addition to all other amounts provided by law.
18

19 15. Statutory Land Use Disclaimer. THE PROPERTY DESCRIBED IN THIS
20 INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING
21 STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS,
22 WHICH, IN FARM AND FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING
23 OF A RESIDENCE AND WHICH LIMIT LAWSUITS AGAINST FARMING OR FOREST
24 PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR
25 ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY
26 SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO
27 VERIFY APPROVED USES AND THE EXISTENCE OF FIRE PROTECTION FOR
28 STRUCTURES.
29

30 16. Cautionary Notice About Liens. UNDER CERTAIN CIRCUMSTANCES, A
31 PERSON WHO PERFORMS CONSTRUCTION-RELATED ACTIVITIES MAY CLAIM A LIEN
32 UPON REAL PROPERTY AFTER A SALE TO THE PURCHASER FOR A TRANSACTION OR
33 ACTIVITY THAT OCCURRED BEFORE THE SALE. A VALID CLAIM MAY BE ASSERTED
34 AGAINST THE PROPERTY THAT YOU ARE PURCHASING EVEN IF THE CIRCUMSTANCES
35 THAT GIVE RISE TO THAT CLAIM HAPPENED BEFORE YOUR PURCHASE OF THE
36 PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED TO, CIRCUMSTANCES WHERE THE
37 OWNER OF THE PROPERTY CONTRACTED WITH A PERSON OR BUSINESS TO PROVIDE
38 LABOR, MATERIAL, EQUIPMENT OR SERVICES TO THE PROPERTY AND HAS NOT PAID
39 THE PERSONS OR BUSINESS IN FULL.
40

41 17. Miscellaneous. Time is of the essence of this Agreement. The facsimile
42 transmission of any signed document including this Agreement, in accordance with Paragraph
43 12, shall be the same as delivery of an original. At the request of either party, the party
44 delivering a document by facsimile will confirm facsimile transmission by signing and
45 delivering a duplicate original document. This Agreement may be executed in two or more
46 counterparts, each of which shall constitute an original and all of which together shall
47 constitute one and the same Agreement. This Agreement contains the entire agreement and
48 understanding of the parties with respect to the subject matter of this Agreement and
49 supersedes all prior and contemporaneous agreements between them with respect thereto.
50 Without limiting the provisions of Section 13 of this Agreement, this Agreement shall be

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1 binding upon and shall inure to the benefit of the parties and their respective successors and
2 assigns. The person signing this Agreement on behalf of Buyer and the person signing this
3 Agreement on behalf of Seller each represents, covenants and warrants that such person has
4 full right and authority to enter into this Agreement and to bind the party for whom such
5 person signs this Agreement to the terms and provisions of this Agreement. This Agreement
6 shall not be recorded unless the parties otherwise agree.

7
8 18. Addendums; Exhibits. The following named addendums and exhibits are
9 attached to this Agreement and incorporated within this Agreement: none or Addendum.

10
11 19. Time for Acceptance. Seller has until 5:00 p.m. Pacific Time on August 25,
12 2004 to accept this offer. Acceptance is not effective until a copy of this Agreement which
13 has been signed and dated by Seller is actually received by Buyer. If this offer is not so
14 accepted, it shall expire and the Earnest Money shall be promptly refunded to Buyer and
15 thereafter, neither party shall have any further right or remedy against the other.

16
17 20. Seller's Acceptance and Brokerage Agreement. By execution of this
18 Agreement, Seller agrees to sell the Property on the terms and conditions in this Agreement.
19 Seller further agrees to pay a commission to GVA Kidder Mathews in amount of one-half
20 (1/2) the amount computed in accordance with the listing agreement between Seller and
21 Macadam Forbes or, in the absence of said agreement, a fee of 2.5% of the sales price at
22 closing.

23
24 21. Execution Date. The Execution Date is the later of the two dates shown
25 beneath the parties' signatures below.

26
27 22. Governing Law. This Agreement is made and executed under, and in all
28 respects shall be governed and construed by the laws of the State of Oregon.

29
30 CONSULT YOUR ATTORNEY. THIS DOCUMENT HAS BEEN PREPARED FOR SUBMISSION
31 TO YOUR ATTORNEY FOR REVIEW AND APPROVAL PRIOR TO SIGNING. NO
32 REPRESENTATION OR RECOMMENDATION IS MADE BY THE COMMERCIAL ASSOCIATION
33 OF REALTORS® OREGON/SW WASHINGTON OR BY THE REAL ESTATE LICENSEES
34 INVOLVED WITH THIS DOCUMENT AS TO THE LEGAL SUFFICIENCY OR TAX
35 CONSEQUENCES OF THIS DOCUMENT.

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THIS FORM SHOULD NOT BE MODIFIED WITHOUT SHOWING SUCH MODIFICATIONS BY REDLINING, INSERTION MARKS, OR ADDENDA.

Buyer:	City of Sherwood or Urban Renewal Agency of Sherwood	Seller:	Bob Jones Enterprises
By:	<i>[Signature]</i>	By:	<i>Rahab K Jones PRBS</i>
Title:	<i>Urban Renewal Dept</i>	Title:	
Execution Date:	<i>8-25-04</i>	Execution Date:	<i>8-25-04</i>
Time of Execution:	<i>1:25 pm</i>	Time of Execution:	<i>1:25 pm</i>
Home Phone:	<i>503-625-4465</i>	Home Phone:	
Office Phone:		Office Phone:	<i>503-625-6980</i>
Address:	<i>20 NW Washington</i>	Address:	<i>220 SE Willamette St</i>
City:	<i>Sherwood OR</i>	City:	<i>Sherwood OR</i>
Zip:	<i>97140</i>	Zip:	<i>97149</i>
Fax No:		Fax No:	
	<i>pattersonj@ci.sherwood</i>	E-mail:	

5

OR. US.

Addendum to Agreement
Dated
August 23, 2004
Between
Bob Jones Enterprises , Seller"
an
City of Sherwood Oregon or Urban Renewal Agency of Sherwood, "Buyer"

1. Purchase Price: The \$1,824,000 purchase price shall be comprised as follows:

a) \$1,593,000 cash at closing, which shall retire a first mortgage estimated at \$759,000 with West Coast Bank; approximately \$514,000 for a second mortgage with Rkm Development; balance of said cash to go to Bob Jones Enterprises. Seller shall deliver fee simple title to subject property and Buyer shall have the right to negotiate with underlying lien holders.

b) Shared Proceeds of Sale: Bob Jones and/or Bob Jones Enterprises shall receive additional cash from resale of subject property by the City of Sherwood incident to redevelopment. The City of Sherwood will pay Bob Jones \$1.00 for every square foot of land resold by the City of Sherwood incident to redevelopment. Said additional consideration is estimated at \$231,000 based upon 5.5 acres of land to be resold out of a total parcel size of 6.2 acres less acreage taken for right of way for Pine Street and the new alignment for Oregon Street.

2. Conditions to Purchase: This agreement shall be subject to satisfaction of the following conditions, which satisfaction shall be in Buyer's sole discretion, within thirty (30) days following mutual execution of this agreement:

a) Buyer's satisfaction with the environmental condition of subject property to be determined on the basis of existing Environmental Assessment, to be provided to Buyer by Seller and by Buyer's independent due diligence.

b) Approval of said purchase by the City Council of Sherwood, Oregon.

Upon Buyer's removal of the above contingencies within the applicable time frame, the Twenty-Five Thousand Dollars (\$25,000) earnest money note shall be converted to cash and then become non-refundable, but shall be applied to the purchase price. In event the aforementioned contingencies have not been removed by Buyer in writing and within the specified time period, then the earnest money note shall be deemed null and void and of no further force and effect, and the escrow created hereunder cancelled and the earnest money note returned to Buyer.

Ⓟ B-26-04
B.C. B-26-04

~~The City of Sherwood will pay Bob Jones \$1.00 for every square foot of land resold by the City of Sherwood incident to redevelopment. Said additional consideration is estimated at \$231,000 based upon 5.5 acres out of a total parcel size of 6.2 acres less acreage taken for right of way for Pine Street and the new alignment for Oregon Street.~~

Omit

3. **Attorney Review:** The City of Sherwood will compensate Bob Jones Enterprises for up to five (5) hours attorney billing time for review of the transaction.

4. **Post Closing Possession:** Bob Jones Enterprises shall be permitted to occupy subject property for up to six (6) months following closing at no expense other than payment of direct expenses (i.e., utilities, etc.)

\$25,000 Portland August 23 2004
 after date, I (or if more than one maker) we jointly and
 severally promise to pay to the order of First American Title Insurance Company
 at 200 SW Market Street, #250, Portland, OR 97201
 Twenty Five Thousand and no/100ths DOLLARS,
 with interest thereon at the rate of ---% per annum from
 until paid; interest to be paid and if not so paid, all principal and interest, at the option of the
 holder of this note, to become immediately due and collectible. Any part hereof may be paid at any time. If this note is placed in the hands of an
 attorney for collection, I/we promise and agree to pay holder's reasonable attorney's fees and collection costs, even though no suit or action is filed
 hereon; if a suit or an action is filed, the amount of such reasonable attorney's fees shall be fixed by the court or courts in which the suit or action, including
 any appeal therein, is tried, heard or decided.

For purchase of 6.2 acres of property located between the railroad track line,
 Washington Street, and to be dedicated Pine Street in Sherwood, Oregon.

By and between City of Sherwood or Urban Renewal Agency of Sherwood,
 "Buyer" and Bob Jones Enterprises, "Seller"

PROMISSORY NOTE

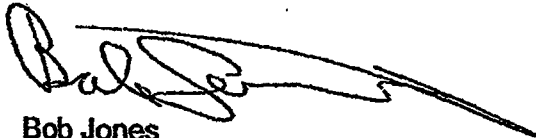
8-24-04

Macadam Forbes
Attn: Kevin Vandenbrink
1800 SW First Avenue, Suite 100
Portland, OR 97201

Dear Mr. Vandenbrink:

This notice is to inform you that we are terminating the listing of my property located at 220 SE Willamette Ave, Sherwood, OR 97140. This is effective immediately. Please advise us if you will remove the signs or if you would like us to remove them. I am sorry this did not work out for either of us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Jones', with a long horizontal flourish extending to the right.

Bob Jones
President, Bob Jones Enterprises



After recording return to:
City of Sherwood
ATT: Jim Patterson, 20 NW
Washington Street
Sherwood, OR 97140

Until a change is requested all tax statements
shall be sent to the following address:
City of Sherwood
ATT: Jim Patterson, 20 NW
Washington Street
Sherwood, OR 97140

File No.: NCS-109656-OR1 (mk)
Date: October 11, 2004

THIS SPACE RESERVED FOR RECORDER'S USE

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL RECORDED
ON 10.15.04
IN/AS 2004.119819
FIRST AMERICAN TITLE INSURANCE
COMPANY. Escrow Department

By JAD

STATUTORY WARRANTY DEED

Bob Jones Enterprises Incorporated, an Oregon corporation, Grantor, conveys and warrants to **City of Sherwood, an Oregon municipal corporation**, Grantee, the following described real property free of liens and encumbrances, except as specifically set forth herein:

See Legal Description attached hereto as Exhibit A and by this reference incorporated herein.

This property is free from liens and encumbrances, EXCEPT:

1. Second and third installment 2004-2005 taxes, a lien payable but not delinquent
2. These premises are within the boundaries of the Clean Water Services District and are subject to the levies and assessments thereof.
3. An easement of underground storm drain sewer line recorded as Fee No. 97100724

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

EXHIBIT A

LEGAL DESCRIPTION:

PARCEL I:

Beginning at a point on the Southerly boundary of the Southern Pacific right of way, from which the center of Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in Washington County, Oregon, bears South 47°17' West, 230.0 feet and South 43°24' East, 1443.0 feet, being also the most Northerly corner of the Warehouse Lot; from the said beginning point running thence South 43°33' East, 200.00 feet to the Northerly line of that certain tract of land, Deed for which is recorded in Deed Book 102, Page 497; thence with the Northerly line of said tract, North 47°50' East, 90 feet; thence North 43°33' West, 200.26 feet to the above described right of way line; thence South 47° 18' West 90 feet to the place of beginning.

PARCEL II:

Beginning at the center of Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in Washington County, Oregon; running thence North 43°24' West, 21.87 chains to the South boundary line of the Southern Pacific Railroad right of way; thence North 47° 15' East, 130 feet to the place of beginning; thence North 47° 18' East, 100 feet; thence South 46° 36' East, 200 feet; thence South 42°45' West, 100 feet; thence North 43°24' West, 200 feet to the place of beginning.

PARCEL III:

Beginning at the center of Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in Washington County, Oregon and running thence North 43°24' West, 21.87 chains to the South boundary line of the right of way of the Portland and Willamette Valley Railroad Company (now held and used by Southern Pacific Company); thence North 47°15' East, 30 feet to a point which is the true place of beginning of the land hereby described; thence running North 47°15' East 100 feet; thence South 46°36' East, 50 feet; thence South 42°45' West, 100 feet; thence North 43°24' West, 50 feet to the place of beginning.

PARCEL IV:

Beginning at a point on the Southerly line of the right of way of the Southern Pacific Company, which is North 43°24' West, 1443.0 feet of the center of Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in Washington County, Oregon, said point being also the Northerly corner of Epler's Addition To Sherwood; thence North 47° 14' East along said Southeasterly right of way line, 30.0 feet to the most Westerly corner of tract conveyed to William Franklin Smith by Deed recorded in Deed Book 106, Page 359; thence South 43°24' East, 50.0 feet to the most Southerly corner of said Smith Tract; thence North 47° 15' East, 100.0 feet to the most Easterly corner of said Smith tract; thence South 43°24' East along the Southwesterly line of tract conveyed to Craves Canning Co., a corporation, by Deed recorded in Deed Book 121, Page 76, 40.0 feet; thence South 47°26' West, 130.0 feet to the Northeasterly line of said Epler's Addition, and thence North 43°24' West to the true place of beginning.

PARCEL V:

Beginning at the most Northerly corner of Lot 5, Block 1, Epler's Addition to Sherwood, in Washington County, Oregon; thence along the Northeasterly line of said Lot 5 extended, North 43°24' West, 18.0 feet to the Southeasterly boundary of the Southern Pacific Company's right of way; thence along said right of way line, North 47° 17' East, 30 feet, more or less, to the most Northerly corner of said Epler's Addition; thence South 43°24' East along the Northeasterly line of said addition, 18.0 feet, more or less, to the intersection of said Northeasterly line with an Easterly extension of the Northwesterly line of said Lot 5, and thence Southwesterly 30.0 feet, more or less, to the place of beginning.

PARCEL VI:

Beginning at the most Northerly corner of Lot 5, Block 1, Epler's Addition To Sherwood, in Washington County, Oregon; thence running along an Easterly extension of the Northwesterly line of said lot, 30.0 feet to the Northeasterly line of said Epler's Addition; thence South 43°24' East along said Northeasterly line, 39.0 feet; thence along a line parallel with said Easterly extension of the Northwesterly line of said lot, 30.0 feet to the Northeasterly line of said lot, and thence along said Northeasterly line, 39.0 feet to the place of beginning.

PARCEL VII:

All of Lot 5, Block 1, EPLER'S ADDITION TO SHERWOOD, in the County of Washington and State of Oregon. EXCEPT a strip from the Southerly end of said lot which has been previously deeded to the Town of Sherwood for street purposes by Deed Book 147, page 79.

PARCEL VIII:

Beginning at the most Northerly corner of Lot 5, Block 1, Epler's Addition To Sherwood, in Washington County, Oregon; thence with the Northeasterly line of said lot extended, North 43°24' West, 18.0 feet to the Southeasterly right of way line of the Southern Pacific Company; thence running along said right of way line, South 47°33' West 50.0 feet; thence South 43°24' East, 18.0 feet to the most Westerly corner of said Lot 5, and thence North 47°33' East, 50.0 feet to the place of beginning.

PARCEL IX:

Beginning at a point on the Southeasterly boundary line of the Southern Pacific right of way, in Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in Washington County, Oregon; from said beginning point the center of said Section 32 bears South 47°17' West, 320 feet and South 43°24' East, 1443 feet; from said beginning point running thence with the said right of way line, North 47°17' East, 350.8 feet; thence South 42°44' East, 511 feet; thence South 47°24' West, 328 feet; thence North 43°24' West, 310 feet to an iron pipe at the most Northerly corner of tract, Deed from which is recorded in Deed Book 102, Page 497; thence with the Northwesterly line of said tract South 47°50' West, 17 feet; thence North 43°33' West, 200.26 feet to the place of beginning.

PARCEL X:

Beginning at an iron pipe which bears North 43°24' West 1243.4 feet and North 47°15' East 337.85 feet from a stone set for the center of Section 32, Township 2 South, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon; said point of beginning being the most Northerly corner of a tract of land conveyed to the Citizens Bank of Sherwood by Deed recorded in Deed Book 154, page 449; thence South 43°24' East along the Northeasterly line of said tract, 280 feet to a corner of same; thence South 47°15' West 17 feet to a point; thence North 43°24' West 280 feet to a point; thence North 47°15' East to the place of beginning.

PARCEL XI:

All of Lots 7 and 8, Block 1 EPLER'S ADDITION TO SHERWOOD, in Washington County, Oregon; EXCEPTING a tract deeded by Ella Weckert to the public for street purposes, by instrument recorded in Deed Book 147, Page 79.

PARCEL XII:

Beginning at the most Northerly corner of Lot 7, Block 1, EPLER'S ADDITION TO SHERWOOD, in Washington County, Oregon; thence Southerly along the Northwesterly line of said Block 1, 105 feet to the most Westerly corner of Lot 8 in said block; thence North 43°24' West following the most Southerly line of said Lot 8 if extended, 18 feet to the Southeasterly line of the right of way of the Southern Pacific Railroad; thence Northerly following the Southeasterly line of said right of way 105 feet; thence South 43°24 East, 18 feet to the place of beginning.

PARCEL XIII:

Beginning at a point on the Northeasterly line of Lot 5, Block 1, EPLER'S ADDITION TO SHERWOOD, in the County of Washington and State of Oregon, which is South 44°30' East 57.0 feet from the most Northerly corner of said lot; and running thence North 45°31' East 30.0 feet to the centerline of that portion of S.W. Pine Street vacated by City Ordinance dated April 10, 1953, a copy of which city ordinance is of record in Deed Boo, 343, page 491; thence South 44°30' East along said centerline, 17 feet to the Southeasterly line of said tract so vacated by said ordinance; thence South 45°31' West 30.0 feet to said Northeasterly line of said lot, and thence North 44°30' West 17.0 feet to the place of beginning.

PARCEL XIV:

Beginning at a point on the Northeasterly line of Lot 5, Block 1, EPLER'S ADDITION TO SHERWOOD, in the County of Washington and State of Oregon, which is South 44°30' East 39.0 feet from the most Northerly corner of said lot; and running thence North 45°31' East 30.0 feet to the centerline of Pine Street; thence South 44°30' East 18.0 feet to the Northwesterly line of a tract vacated by City Ordinance dated April 10, 1953, a copy of which ordinance is recorded in Deed Book 343, page 491; thence South 45°31' West 30.0 feet to said Northeasterly line; and thence North 44°30' West 18.0 feet to the place of beginning.

PARCEL XV:

The Northeasterly 15 feet of Lot 6, Block 1, EPLER'S ADDITION TO SHERWOOD, in the County of Washington and State of Oregon.

APN: R0555599

Statutory Warranty Deed
- continued

File No.: NCS-109656-OR1 (mk)
Date: 10/11/2004

PARCEL XVI:

Beginning at the most Northerly corner of Lot 6, Block 1, EPLER'S ADDITION TO SHERWOOD, in the County of Washington and State of Oregon; thence with the Northeasterly line of said lot extended, North 43°24' West 18 feet to the Southeasterly right of way line of the Southern Pacific Company; thence running with said right of way line, South 47°33' West 15 feet; thence South 43°24' East 18 feet to the Westerly line of said Lot 6, Block 1, EPLER'S ADDITION TO SHERWOOD; thence with the said Westerly line of Lot 6, North 47°33' East 15 feet to the place of beginning.