



After recording return to:  
Premium Property Sherwood LLC  
c/o Capstone Partners, LLC  
1015 NW 11th Avenue, Suite 243  
Portland, OR 97209

Until a change is requested all tax  
statements shall be sent to the  
following address:  
Premium Property Sherwood LLC  
c/o Capstone Partners, LLC  
1015 NW 11th Avenue, Suite 243  
Portland, OR 97209

File No.: NCS-556469-OR1 (ch)

THIS SPACE RES

Washington County, Oregon **2012-093602**  
D-DW  
Stn=11 C WHITE **11/02/2012 03:43:49 PM**  
\$10.00 \$11.00 \$5.00 \$15.00 \$557.00 **\$598.00**

I, Richard Hobernicht, Director of Assessment and Taxation and Ex-  
Officio County Clerk for Washington County, Oregon, do hereby  
certify that the within instrument of writing was received and  
recorded in the book of records of said county.

Richard Hobernicht, Director of  
Assessment and Taxation, Ex-Officio

## STATUTORY SPECIAL WARRANTY DEED

**City of Sherwood Urban Renewal Agency, the duly designated Urban Renewal Agency for the City of Sherwood, Grantor, conveys and specially warrants to Premium Property Sherwood LLC, an Oregon limited liability company, Grantee, the following described real property free of liens and encumbrances created or suffered by the Grantor, except as specifically set forth herein:**

**LEGAL DESCRIPTION:** Real property in the County of Washington, State of Oregon, described as follows:

**Lots 9 and 10, SHERWOOD CANNERY SQUARE, according to the plat thereof recorded December 16, 2011 as Recording No. 2011089523, in the City of Sherwood, County of Washington and State of Oregon.**

**This property is free from liens and encumbrances, EXCEPT:** Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

The true consideration for this conveyance is **\$556,820.00**. (Here comply with requirements of ORS 93.030)



**ESCROW AGREEMENT  
(SALE)**

Escrow No. NCS 556469-OR1  
Seller: City of Sherwood Urban Renewal Agency  
Buyer: Premium Property Sherwood LLC  
Property Address: Lots 9 & 10, Sherwood Cannery Square  
Sherwood, OR

**TRANSACTION INSTRUCTIONS**

To First American Title Insurance Co. hereinafter "Escrow Agent"

**Property Description:** As set forth in Preliminary Title Report issued by First American Title Insurance Co. Order No. NCS-556469-OR1, dated October 19, 2012, a copy of which has been read and approved by Seller and Buyer.

**SELLER** deposits with Escrow Agent, pursuant to these instructions, the following:

1. Fully executed Special Warranty Deed in favor of the buyer
2. Commercial Owner's Affidavit
3. FIRPTA Affidavit
4. OR Tax Withholding Questionnaire

And authorizes delivery, release, and recording of documents when you hold for the account of the Seller the sum of \$556,820.00 as shown on the attached Estimated Closing Statement, and, further authorizes credits and deductions as set forth on the attached Estimated Closing Statement.

**BUYER** deposits with Escrow Agent, pursuant to these instructions, the following:

1. The sum of \$556,820.00 plus closing costs and charges in the form of collected funds to escrow agent's account
2. Fully executed loan documents

And authorizes delivery, release and recording of documents when you are prepared to:

1. Issue an Owner's Title Insurance Policy (ALTA 2006) in extended form in the amount of the sales price insuring purchaser as the owner of that certain real property described above, subject to exclusions, conditions and stipulations as contained in the policy and special exceptions #9-12 as appear on the preliminary title report above.
2. Issue any form of Lender's Title Insurance Policy as required by Lender's instructions.

And, further authorizes a) recording and/or release of any documents required by or on behalf of Lender, including, without limitation, to recording prior to the receipt of loan proceeds; b) credits and deductions as set forth on the attached Estimated Closing Statement.

**AUTHORIZATIONS**

**COUNTERPARTS:** These instructions may be signed in counterparts. Escrow Agent may consider, upon receipt, all duly executed counterparts to be a single instruction.

**FAX:** Escrow Agent is authorized to complete all necessary actions set forth herein upon receipt of a signed facsimile (FAX) of these instructions without receipt of original signed instructions.

**ELECTRONIC TRANSFER:** Escrow Agent may, in its discretion, receive and/or disburse any funds in connection with this agreement by electronic (wire) transfer. If required by any of the parties to utilize this method of transfer, the requesting party agrees to pay any reasonable fee as assessed by Escrow Agent for this service.

**DEPOSITS:** All checks, money orders or drafts will be processed for collection in the normal course of business. All funds required to close must be payable to First American Title Insurance Co. and must be collected funds, as required by Federal and State of Oregon statutes and regulations prior to the Escrow Agent's disbursement of any sums. Escrow Agent may commingle funds received by it with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association or other financial services entity. It is understood that Escrow Agent, except by virtue of separate signed instructions as required by State of Oregon regulation, shall be under no obligation to invest the funds deposited on behalf of any depositor, nor shall it be accountable for any earnings or incidental benefit attributable to the funds which may be received by Escrow Agent while it holds such funds.

The undersigned are hereby informed that Escrow Agent deposits all funds into a non-interest bearing account and receives or may receive certain credits and benefits including, without limitation, checks, deposit slips, data processing and account services from or through various financial entities as a result of the banking relationships maintained in the regular course of its escrow and title insurance business. The undersigned hereby waive any and all rights or claims with respect to such credits and benefits received by the Escrow Agent or any affiliates thereof. A good faith estimate of the benefits received by Escrow Agent is \$30.00 per escrow transaction. This disclosure is made in compliance with Oregon Administrative Rule 863-50-065.

Any funds remaining on deposit after closing or refunds received by Escrow Agent will be refunded to the party whose account was charged. No further instructions will be required by any party prior to the disbursement of any such refund by Escrow Agent.

Escrow Agent will retain any excess funds after disbursement as part of the closing of this transaction. Escrow Agent will charge an accounting fee for each month such funds are held after one (1) month, in the event the person(s) entitled to such funds cannot, after reasonable and diligent effort, be found. Escrow Agent may charge a reasonable fee for replacement and/or stale dated checks.

**COPIES:** The undersigned authorize distribution of these escrow instructions and/or estimated or final closing statements prepared on my behalf in any designee, real estate broker/agent or lender identified in this transaction.

**CLOSING:** Closing is defined, for purposes of this agreement, as the time of the recording of all documents as required by the parties herein. Escrow Agent shall be entitled to payment of all fees charged for services provided at the time of closing. Any funds held for satisfaction/release of liens and encumbrances or to meet other conditions of this escrow may be transferred from this escrow account to an appropriate department or escrow for subsequent processing.

#### AGREEMENTS

**ARBITRATION:** Except as noted below, if any dispute or claim arises out of or relates to this escrow agreement, or to the interpretation or breach thereof, Escrow Agent may, at its election; a) hold all matters in its existing status pending resolution of such dispute or; b) it shall be resolved by arbitration in accordance with the then effective rules of the Arbitration Service of Portland, Inc. or the American Arbitration Association, which ever is selected by the party which first initiates arbitration, and any judgment rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

**INTERPLEADER:** Escrow Agent shall have the option of interpleading funds in the Circuit Court of Oregon, including the Small Claims division of the same, as may be appropriate, in the event of a dispute regarding the disposition of any funds held by Escrow Agent.

**ATTORNEY FEES:** In the event suit or action is brought, or an arbitration proceeding is initiated, to enforce or interpret any of the provisions of this agreement, or which is based thereon, the prevailing party shall be entitled to reasonable attorney's fees in connection therewith. The determination of who are the prevailing party and the amount of reasonable attorney fees shall be decided by the arbitrator(s) or by the court as may be appropriate.

**LIMITED POWER OF ATTORNEY:** The undersigned hereby grant Escrow Agent Limited Power of Attorney to correct and initial all typographical or clerical errors discovered in any or all of the closing documentation required

to be executed by any of the parties hereto. In the event Escrow Agent exercises this Limited Power of Attorney, a copy of the Document(s) corrected and/or Initialed will be sent to the affected party

#### EXCLUSIONS

**COMPLIANCE WITH VARIOUS LAWS OR STATUTES:** Escrow Agent has no liability or responsibility with respect to any matters connected with the following (unless expressly authorized herein or by separate written instructions acknowledged by Escrow Agent):

1. Compliance with the requirements of the Consumer Credit Protection Act or Interstate Land Sales Act, or similar laws;
2. Compliance with the requirements of the Oregon Revised Statutes 537.330 (relating to water rights), 537.788 (relating to well information), 448.271 (relating to well testing) and any similar laws;
3. Compliance with Oregon Laws 2001 Chapter 311 (relating to cautionary notice or other information as applicable regarding potential construction liens)
4. Compliance with the obligation to disclose the existence of lead based paint as required by federal regulation 24 CFR Part 35 and 45 CFR Part 35 et seq and any other related statute or regulation;
5. Compliance with, collection, withholding, reporting or payment of any amounts due under Section 1445 and 6039C of the Internal Revenue Code, as amended, regulations adopted there under, and any other related statute or regulation (Foreign Investment in Real Property Tax Act, commonly referred to as FIRPTA). Notwithstanding the fact Escrow Agent assumes no liability or responsibility to the parties for compliance with FIRPTA, Escrow Agent reserves the right to take any action required by such law and/or regulation without further instructions of the parties.

#### REPRESENTATIONS

**UTILITIES:** The undersigned acknowledge that water, sewer, waste collection, electricity, and other utility charges and inventory for fuel, including any final billings will be adjusted outside this escrow by the respective parties and Escrow Agent shall have no obligation or responsibility for such adjustment.

**ASSIGNMENT:** Pursuant to Section 15.1 of the Purchase and Sale Agreement between the Seller and Capstone Partners, LLC ("Capstone"), Capstone may not assign the Agreement or its rights under the Agreement without the written consent of the Seller, which consent shall not be unreasonably withheld or delayed; provided, however, no consent shall be required in connection with the assignment of Capstone's interest in the Agreement to any entity in which Capstone has an ownership or management interest. Capstone has assigned their purchasing interest in said agreement to Premium Property Sherwood LLC, an Oregon limited liability company, of which Capstone is a member. So no consent to this assignment is required by the Seller.

**SELLER INITIALS:** \_\_\_\_\_

**BUYER INITIALS:** *JWS* *Ch*

**DOCUMENTS:** The undersigned acknowledge that they have and shall have a continuing obligation to cooperate with Escrow Agent in good faith to enable Escrow Agent to fulfill its responsibilities under this agreement. Such obligations shall survive the closing of the transaction described herein and shall include, without limitation, the obligation to: a) disclose to Escrow Agent any liens, encumbrances or any other rights, claims or matters known to the parties which affect or relate to the property and transaction referred to in this agreement, and b) return to Escrow Agent for proper disposition any fund, documents or other property which are, for any reason, improperly or mistakenly released to any persons.

**PRACTICE OF LAW/ADVICE:** The undersigned acknowledge that Escrow Agent is not licensed to practice law and that Escrow Agent's duties and obligations under this agreement are limited to those of an escrow holder. The undersigned have not been referred to a any named attorney(s) or discouraged from seeking the advice of an attorney but have been requested to seek legal counsel of their own choosing, at their own expense, if they have any doubts or questions concerning any aspect of this transaction.

**OTHER OBLIGATIONS:** The undersigned acknowledge that, to the extent other obligations exist between them as a result of this transaction that are not specifically set forth herein, they are individually responsible for the execution thereof and Escrow Agent is only obligated for matters specifically set forth in this agreement.

**REVIEW:** The undersigned acknowledge that they have been afforded adequate time and opportunity to read and understand the escrow instructions and all other documents referred to herein.

YOU WILL BE REVIEWING, APPROVING AND SIGNING IMPORTANT DOCUMENTS AT CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE DOCUMENTS. THESE CONSEQUENCES AFFECT YOUR RIGHTS AND OBLIGATIONS. YOU MAY CONSULT AN ATTORNEY ABOUT THESE DOCUMENTS. YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE TRANSACTION OR ABOUT THE DOCUMENTS. IF YOU WISH TO REVIEW TRANSACTION DOCUMENTS THAT YOU HAVE NOT YET SEEN, PLEASE CONTACT THE ESCROW AGENT.

IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE ESCROW INSTRUCTIONS OR THOSE ESCROW INSTRUCTIONS WHICH ARE ATTACHED HERETO THAT SUCH INSTRUCTIONS CONSTITUTE THE WHOLE AGREEMENT BETWEEN THIS FIRM AS AN ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL THE TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.

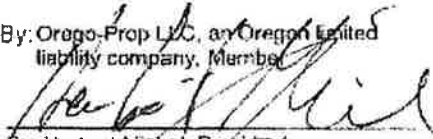
Dated October 20, 2012

City of Sherwood Urban Renewal Agency

Premium Property Sherwood LLC, an  
Oregon limited liability company

By: \_\_\_\_\_

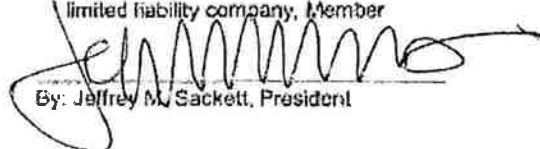
By: Orego-Prop LLC, an Oregon limited  
liability company, Member

  
By: Herbert Michel, President

By: Capstone Partners LLC, an Oregon  
limited liability company, Member

  
By: Christopher Nilsen, Member

By: Triangle Development Company, an  
Oregon corporation, Member of  
Capstone Partners LLC, an Oregon  
limited liability company, Member

  
By: Jeffrey M. Sackett, President



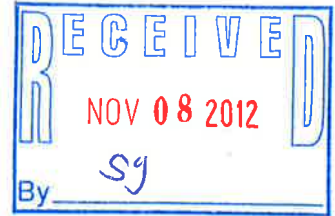
**First American Title Insurance Company**

National Commercial Services

200 SW Market Street

Suite 250

Portland, Oregon 97201



Charmaine Learnard  
Commercial Escrow Assistant for Connie Haan  
clearnard@firstam.com

Direct Phone Number:(503)790-7852  
FAX:(866)678-0591

Tom Pessemier  
City of Sherwood  
22560 SW Pine Street  
Sherwood, OR 97140

November 05, 2012

File Number: NCS-556469-OR1

Re: Sherwood Cannery

Dear Mr. Pessemier:

In connection with the above referenced transaction, enclosed please find the following:

- Seller's Final Settlement Statement
- Seller's Estimated Settlement Statement
- Escrow Agreement (original)
- Proceeds Disbursement Instructions (original)
- Exempt Status Tax Withholding (original)
- FIRPTA
- Commercial Owner's Affidavit (original)
- Statutory Special Warranty Deed (recorded copy)

Thank you for the opportunity to close this transaction. We look forward to working with you again in the near future.

Sincerely,

First American Title Insurance Company

Charmaine Learnard,  
Commercial Escrow Assistant for Connie Haan







**ESCROW AGREEMENT  
(SALE)**

Escrow No. NCS-556469-OR1  
Seller: City of Sherwood Urban Renewal Agency  
Buyer: Premium Property Sherwood LLC  
Property Address: Lots 9 & 10, Sherwood Cannery Square  
Sherwood, OR

**TRANSACTION INSTRUCTIONS**

To First American Title Insurance Co. hereinafter "Escrow Agent"

**Property Description:** As set forth in Preliminary Title Report issued by First American Title Insurance Co. Order No.NCS-556469-OR1, dated October 19, 2012, a copy of which has been **read and approved by Seller and Buyer.**

**SELLER** deposits with Escrow Agent, pursuant to these instructions, the following:

1. Fully executed Special Warranty Deed in favor of the buyer
2. Commercial Owner's Affidavit
3. FIRPTA Affidavit
4. OR Tax Withholding Questionnaire

And authorizes delivery, release, and recording of documents when you hold for the account of the Seller the sum of \$556,820.00 as shown on the attached Estimated Closing Statement, and, further authorizes credits and deductions as set forth on the attached Estimated Closing Statement.

**BUYER** deposits with Escrow Agent, pursuant to these instructions, the following:

1. The sum of \$556,820.00 plus closing costs and charges in the form of collected funds to escrow agent's account
2. Fully executed loan documents

And authorizes delivery, release and recording of documents when you are prepared to:

1. Issue an Owner's Title Insurance Policy (ALTA 2006) in extended form in the amount of the sales price insuring purchaser as the owner of that certain real property described above, subject to exclusions, conditions and stipulations as contained in the policy and special exceptions #9-12 as appear on the preliminary title report above.
2. Issue any form of Lender's Title Insurance Policy as required by Lender's instructions.

And, further authorizes a) recording and/or release of any documents required by or on behalf of Lender, including, without limitation, to recording prior to the receipt of loan proceeds; b) credits and deductions as set forth on the attached Estimated Closing Statement.

**AUTHORIZATIONS**

**COUNTERPARTS:** These instructions may be signed in counterparts. Escrow Agent may consider, upon receipt, all duly executed counterparts to be a single instruction.

**FAX:** Escrow Agent is authorized to complete all necessary actions set forth herein upon receipt of a signed facsimile (FAX) of these instructions without receipt of original signed instructions.

**ELECTRONIC TRANSFER:** Escrow Agent may, in its discretion, receive and/or disburse any funds in connection with this agreement by electronic (wire) transfer. If required by any of the parties to utilize this method of transfer, the requesting party agrees to pay any reasonable fee as assessed by Escrow Agent for this service.

**DEPOSITS:** All checks, money orders or drafts will be processed for collection in the normal course of business. All funds required to close must be payable to First American Title Insurance Co. and must be **collected funds**, as required by Federal and State of Oregon statutes and regulations prior to the Escrow Agent's disbursement of any sums. Escrow Agent may commingle funds received by it with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association or other financial services entity. It is understood that Escrow Agent, except by virtue of separate signed instructions as required by State of Oregon regulation, shall be under no obligation to invest the funds deposited on behalf of any depositor, nor shall it be accountable for any earnings or incidental benefit attributable to the funds which may be received by Escrow Agent while it holds such funds.

The undersigned are hereby informed that Escrow Agent deposits all funds into a non-interest bearing account and receives or may receive certain credits and benefits including, without limitation, checks, deposit slips, data processing and account services from or through various financial entities as a result of the banking relationships maintained in the regular course of its escrow and title insurance business. The undersigned hereby waive any and all rights or claims with respect to such credits and benefits received by the Escrow Agent or any affiliates thereof. A good faith estimate of the benefits received by Escrow Agent is \$30.00 per escrow transaction. This disclosure is made in compliance with Oregon Administrative Rule 863-50-065.

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**COPIES:** The undersigned authorize distribution of these escrow instructions and/or estimated or final closing statements prepared on my behalf to any designee, real estate broker/agent or lender identified in this transaction.

**CLOSING:** Closing is defined, for purposes of this agreement, as the time of the recording of all documents as required by the parties herein. Escrow Agent shall be entitled to payment of all fees charged for services provided at the time of closing. Any funds held for satisfaction/release of liens and encumbrances or to meet other conditions of this escrow may be transferred from this escrow account to an appropriate department or escrow for subsequent processing.

## **AGREEMENTS**

**ARBITRATION:** Except as noted below, if any dispute or claim arises out of or relates to this escrow agreement, or to the interpretation or breach thereof, Escrow Agent may, at its election; a) hold all matters in its existing status pending resolution of such dispute or; b) it shall be resolved by arbitration in accordance with the then effective rules of the Arbitration Service of Portland, Inc. or the American Arbitration Association, which ever is selected by the party which first initiates arbitration, and any judgment rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

**INTERPLEADER:** Escrow Agent shall have the option of interpleading funds in the Circuit Court of Oregon, including the Small Claims division of the same, as may be appropriate, in the event of a dispute regarding the disposition of any funds held by Escrow Agent.

**ATTORNEY FEES:** In the event suit or action is brought, or an arbitration proceeding is initiated, to enforce or interpret any of the provisions of this agreement, or which is based thereon, the prevailing party shall be entitled to reasonable attorney's fees in connection herewith. The determination of who are the prevailing party and the amount of reasonable attorney fees shall be decided by the arbitrator(s) or by the court as may be appropriate.

**LIMITED POWER OF ATTORNEY:** The undersigned hereby grant Escrow Agent Limited Power of Attorney to correct and initial all typographical or clerical errors discovered in any or all of the closing documentation required

to be executed by any of the parties hereto. In the event Escrow Agent exercises this Limited Power of Attorney, a copy of the Document(s) corrected and/or initialed will be sent to the affected party.

**EXCLUSIONS**

**COMPLIANCE WITH VARIOUS LAWS OR STATUTES:** Escrow Agent has no liability or responsibility with respect to any matters connected with the following (unless expressly authorized herein or by separate written instructions acknowledged by Escrow Agent);

1. Compliance with the requirements of the Consumer Credit Protection Act or Interstate Land Sales Act, or similar laws;
2. Compliance with the requirements of the Oregon Revised Statutes 537.330 (relating to water rights), 537.788 (relating to well information), 448.271 (relating to well testing) and any similar laws;
3. Compliance with Oregon Laws 2001 Chapter 311 (relating to cautionary notice or other information as applicable regarding potential construction liens)
4. Compliance with the obligation to disclose the existence of lead based paint as required by federal regulation 24 CFR Part 35 and 40 CFR Part 35 et seq and any other related statute or regulation;
5. Compliance with, collection, withholding, reporting or payment of any amounts due under Section 1445 and 6039C of the Internal Revenue Code, as amended, regulations adopted there under, and any other related statute or regulation (Foreign Investment in Real Property Tax Act, commonly referred to as FIRPTA). Notwithstanding the fact Escrow Agent assumes no liability or responsibility to the parties for compliance with FIRPTA, Escrow Agent reserves the right to take any action required by such law and/or regulation without further instructions of the parties.

**REPRESENTATIONS**

**UTILITIES:** The undersigned acknowledge that water, sewer, waste collection, electricity, and other utility charges and inventory for fuel, including any final billings will be adjusted outside this escrow by the respective parties and Escrow Agent shall have no obligation or responsibility for such adjustment.

**ASSIGNMENT:** Pursuant to Section 15.1 of the Purchase and Sale Agreement between the Seller and Capstone Partners, LLC ("Capstone"), Capstone may not assign the Agreement or its rights under the Agreement without the written consent of the Seller, which consent shall not be unreasonably withheld or delayed; provided, however, no consent shall be required in connection with the assignment of Capstone's interest in the Agreement to any entity in which Capstone has an ownership or management interest. Capstone has assigned their purchasing interest in said agreement to Premium Property Sherwood LLC, an Oregon limited liability company, of which Capstone is a member. So no consent to this assignment is required by the Seller.

**SELLER INITIALS:**     KSm     \_\_\_\_\_

**BUYER INITIALS:** \_\_\_\_\_

**DOCUMENTS:** The undersigned acknowledge that they have and shall have a continuing obligation to cooperate with Escrow Agent in good faith to enable Escrow Agent to fulfill its responsibilities under this agreement. Such obligations shall survive the closing of the transaction described herein and shall include, without limitation, the obligation to; a) disclose to Escrow Agent any liens, encumbrances or any other rights, claims or matters known to the parties which affect or relate to the property and transaction referred to in this agreement, and b) return to Escrow Agent for proper disposition any fund, documents or other property which are, for any reason, improperly or mistakenly released to any persons.

**PRACTICE OF LAW/ADVICE:** The undersigned acknowledge that Escrow Agent is not licensed to practice law and that Escrow Agent's duties and obligations under this agreement are limited to those of an escrow holder. The undersigned have not been referred to a any named attorney(s) or discouraged from seeking the advice of an attorney but have been requested to seek legal counsel of their own choosing, at their own expense, if they have any doubts or questions concerning any aspect of this transaction.

**OTHER OBLIGATIONS:** The undersigned acknowledge that, to the extent other obligations exist between them as a result of this transaction that are not specifically set forth herein, they are individually responsible for the execution thereof and Escrow Agent is only obligated for matters specifically set forth in this agreement.

**REVIEW:** The undersigned acknowledge that they have been afforded adequate time and opportunity to read and understand the escrow instructions and all other documents referred to herein.

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**IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE ESCROW INSTRUCTIONS OR THOSE ESCROW INSTRUCTIONS WHICH ARE ATTACHED HERETO THAT SUCH INSTRUCTIONS CONSTITUTE THE WHOLE AGREEMENT BETWEEN THIS FIRM AS AN ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL THE TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.**

Dated November 2, 2012

City of Sherwood Urban Renewal Agency



By: Keith Mays, Mayor-Agency Chair

Premium Property Sherwood LLC, an Oregon limited liability company

By: Orego-Prop LLC, an Oregon limited liability company, Member

By: Herbert Michel, President

By: Capstone Partners LLC, an Oregon limited liability company, Member

By: Christopher Nelson, Member

By: Triangle Development Company, an Oregon corporation, Member of Capstone Partners LLC, an Oregon limited liability company, Member

By: Jeffrey M. Sackett, President

ACCEPTED: First American Title Insurance Co.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

By: Escrow Officer



First American  
Title Insurance Company  
of Oregon

Escrow No. NCS-556469-OR1

Property Address or Description: Lots 9 and 10, Sherwood Cannery Square, Sherwood, OR

### PROCEEDS DISBURSEMENT INSTRUCTIONS

The undersigned hereby directs escrow agent to deliver the proceeds of this transaction as follows: (please indicate your choice)

- Pick up a check at your location.
- Have a check delivered to the following address

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- Have a check sent by overnight courier to the following address:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

- Please wire the proceeds as follows:
 

Bank Name	Bank of America
ABA Routing No.	026009593
Account No.	4540319736
Account Name	City of Sherwood

City of Sherwood Urban Renewal Agency

By:   
 \_\_\_\_\_  
 Keith Mays, Mayor-Agency Chair



First American  
Title Insurance Company  
of Oregon

Escrow No. NCS-556469-OR1

Transferor's Name: City of Sherwood Urban Renewal Agency

Property Address or Description: Lots 9 and 10, Sherwood Cannery Square, Sherwood, OR

**Preliminary Statement regarding Exempt Status  
Tax Withholding for Certain Transfers of Oregon Real Property Interests  
Oregon Revised Statutes 314.258**

This form will be used to determine the application of tax withholding requirements for the the State of Oregon under ORS 314.258. Please read the attached list and mark any and all that apply. If you do not return this completed form to us, or check "None of the Above", we will need additional information and/or forms to be completed, and you may be subject to tax withholding. For additional information on withholding you may wish to check out the Department of Revenue's websites at:  
[http://www.oregon.gov/DOR/PERTAX/nonresident\\_withholding.shtml](http://www.oregon.gov/DOR/PERTAX/nonresident_withholding.shtml) &  
<http://www.oregon.gov/DOR/PERTAX/docs/2008Forms/101-183-08.pdf>

The undersigned transferor hereby affirms that, as of the date of closing with respect to the sale of the above described property closed through the above referenced escrow, the undersigned transferor is (check the box that applies):

- A Resident of the state of Oregon as of the date of closing  
Please provide resident address: \_\_\_\_\_

---

- A C Corporation formed in the State of Oregon
- A C Corporation registered and qualified to do business in the State of Oregon
- An estate
- A non-grantor trust; to be considered a non-grantor trust 1) and 2) or 3) of the following must be true:
  - 1) Does the trust have a separate tax ID number and not use the tax ID number of a party to the trust? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - 2) Is the trust irrevocable? \_\_\_\_\_ Yes \_\_\_\_\_ No
  - 3) Is the grantor/trustor deceased? \_\_\_\_\_ Yes \_\_\_\_\_ No
 (Revocable Trust's or Living Trust's are not exempt under this section)
- An S corporation
- A general partnership
- A non-profit corporation



- A Limited Liability Corporation (L.L.C.) with more than one member
- An agency or instrumentality of the United State or the State of Oregon
- A city, county or other municipal or public corporation
- The property is being sold as part of a Section 1031 or Section 1033 Tax Deferred Exchange
- None of the above

City of Sherwood Urban Renewal Agency



By: Keith Mays, Mayor-Agency Chair

**IF YOU CHECK ANY BOX OTHER THAN "NONE OF THE ABOVE," SUBMIT THE SIGNED AND DATED FORM TO YOUR ESCROW OFFICER.**

**IF YOU CHECK "NONE OF THE ABOVE," YOU MUST COMPLETE APPROPRIATE OREGON DEPARTMENT OF REVENUE FORM (S), AND SUBMIT THE APPLICABLE FORM TO THE CLOSING AGENT AT THE CLOSING APPOINTMENT OR SOONER. CONTACT YOUR CLOSING AGENT OR THE OREGON DEPARTMENT OF REVENUE TO OBTAIN THE FORM(S).**

**SELLER'S CERTIFICATION OF NON-FOREIGN STATUS UNDER  
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")  
(26 U.S.C. 1445)**

File No: **NCS-556469-OR1**

November 2, 2012

**ENTITY TRANSFEROR:**

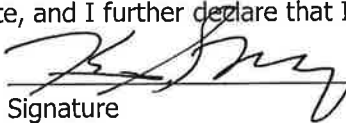
Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by City of Sherwood Urban Renewal Agency [name of transferor] ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is 93-6002255;
4. Transferor's office address is 22560 SW Pine St., Sherwood, OR 97140;

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

11/02/2012  
Date

  
Signature

Keith Mays, Mayor-Agency Chair  
Typed or Printed Name

Commercial Owner's Affidavit

STATE OF  Oregon  }
COUNTY OF  Washington  }

The undersigned affiant first being duly sworn, deposes and says:

- 1. That the Municipality named herein is the owner of certain real property in the State of Oregon described as follows (the "Property"):

Lots 9 and 10, SHERWOOD CANNERY SQUARE, according to the plat thereof recorded December 16, 2011 as Recording No. 2011089523, in the City of Sherwood, County of Washington and State of Oregon.

- 2. That the undersigned officer of said Municipality is authorized to execute this affidavit, and is authorized to execute all instruments necessary to mortgage or convey the Property pursuant to the resolution of the Board of Directors.

- 3. That there have been no construction, repairs, alterations, improvements made, ordered or contracted to be made on or to the Property, nor materials ordered within the last 6 months (or 75 days after completion of work) which have not been paid for, nor are there any fixtures attached to the Property which have not been paid for in full; and there are no outstanding or disputed claims for any such work or item, except:

N/A

That the work of improvement, if any:

- [ ] Started on
[ ] Was completed on
[ ] Will be completed on

- 4. That there has been no work done, nor notice received that work is to be done by the municipality (city, borough, or township), or at its direction, including but not limited to the installation of water or sewer lines, or for improvements such as paving or repaving of streets or alleys, or the installation of curbs or sidewalks.

None.

- 5. That there are no unrecorded leases or agreements affecting the Property, and there is no one in possession of or that has access to the Property, other than: (enter N/A if such is true)

- [ ] the undersigned
[ ] tenants based on month-to month rental agreements
[ ] lessees based on existing leases, copies of which are attached hereto
[ ] affiant(s) please remember to attach copies of leases.
[ ] N/A

6. That there are no rights of first refusal or options to purchase all or any part of the Property except:  
N/A

**(enter "none" or N/A if such is true)**

7. That there are no unpaid real estate taxes or assessments except as shown on the current tax roll. That the undersigned has not received any supplemental tax bill which is unpaid.

8. That no actions in bankruptcy have been filed by or against the corporation in any federal court or any other court of competent jurisdiction.

9. That there are no matters pending against the Affiant that could give rise to a lien that would attach to the property between the most recent effective date of the title commitment and the recording of the interest to be insured, and that the Affiant has not and will not execute any instrument that would adversely affect the title or interest to be insured.

10. That this affidavit is given for the purpose of inducing First American Title Insurance Company and/or its agent to issue its policies of title insurance which may provide coverage as to the matters listed above.  
The undersigned acknowledge that they have read the foregoing and fully understand the legal aspects of any misrepresentation and/or untrue statements made herein and indemnify and hold harmless FIRST AMERICAN TITLE INSURANCE COMPANY against liability occasioned by reason of reliance upon the statements made herein.

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