

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN) Resolution No. 07-3776
ORDER RELATING TO THE VELMA)
PAULINE POVEY CLAIM FOR) Introduced by Chief Operating Officer Michael
COMPENSATION UNDER ORS 197.352) Jordan with the concurrence of Council President
(MEASURE 37)) David Bragdon

WHEREAS, Velma Pauline Povey filed a claim for compensation under ORS 197.352 (Measure 37) contending that Metro regulations had reduced the fair market value of property she owns in the city of Damascus; and

WHEREAS, the Chief Operating Officer reviewed the claim and submitted reports to the Metro Council, pursuant to section 2.21.040 of the Metro Code, recommending denial of the claim for the reason that the Metro regulation that is the basis for the claim did not reduce the fair market value of the claimant's property; and

WHEREAS, the Metro Council held a public hearing on the claim on February 22, 2007, and considered information presented at the hearing; now, therefore

BE IT RESOLVED that the Metro Council

1. Enters Order 07-020, attached to this resolution as Exhibit A, which denies the claim for compensation.
2. Directs the Chief Operating Officer ("COO") to send a copy of Order No. 07-020, with Exhibit A attached, to the claimant, persons who participated in the public hearing on the claim, Clackamas County and the Oregon Department of Administrative Services. The COO shall also post the order and Exhibit A at the Metro website.

ADOPTED by the Metro Council this 22nd day of February, 2007

WITHDRAWN
David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 07-3776

Order No. 07-020

RELATING TO THE VELMA PAULINE POVEY CLAIM
FOR COMPENSATION UNDER ORS 197.352 (MEASURE 37)

Claimants: Velma Pauline Povey

Property: Damascus, Oregon;
Township 2S, Range 3E, Section 2A, Tax Lots 01410 and 01412 (map attached)

Claim: Temporary 20-acre minimum size for creation of new lots and parcels in Title 11 of the Urban Growth Management Functional Plan has reduced the value of the claimants' land.

Claimant submitted the claim to Metro pursuant to ORS 197.352 (Measure 37). This order is based upon materials submitted by the claimant and the reports prepared by the Chief Operating Officer ("COO") prepared pursuant to section 2.21.040.

The Metro Council considered the claim at a public hearing on February 22, 2007.

IT IS ORDERED THAT:

The claim of Velma Pauline Povey for compensation be denied because it does not qualify for compensation for reasons set forth in the reports of the COO.

ENTERED this 22nd day of February, 2007.

David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

**CLAIM FOR COMPENSATION
UNDER BALLOT MEASURE 37
AND METRO CODE CHAPTER 2.21**

REPORT OF THE METRO CHIEF OPERATING OFFICER

**In Consideration of Council Order No. 07-020
For the Purpose of Entering an Order
Relating to the Measure 37 Claim of Velma Pauline Povey**

January 30, 2007

METRO CLAIM NUMBER: Claim No. 07-020

NAME OF CLAIMANT: Velma Pauline Povey

MAILING ADDRESS: c/o William C. Cox, Attorney at Law
0244 SW California St.
Portland, OR 97219

PROPERTY LOCATION: Damascus, OR 97089

LEGAL DESCRIPTION: Township 2S, Range 3E, Section 2
Tax Lots 1410 and 1412

DATE OF CLAIM: November 29, 2006

I. CLAIM

Claimant Velma Pauline Povey seeks compensation in the amount of \$1,204,000 for a claimed reduction in fair market value (FMV) of property owned by the claimant as a result of enforcement of Metro Code Section 3.07.1110 C of Title 11 (Interim Protection of Areas Brought into the Urban Growth Boundary) and Metro Ordinance 02-969B (For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code in Order to Increase the Capacity of the Boundary to Accommodate Population Growth to the Year 2022). In lieu of compensation, claimant seeks a waiver of those regulations so claimant can apply to the City of Damascus to divide the 7.77-acre subject property into one-acre, single-family residential lots. Claimant would need to attain a waiver from Clackamas County to be eligible for one-acre lot zoning.

Claimant has also filed Measure 37 claims with the City of Damascus, Clackamas County, and the State of Oregon challenging each and every land use regulation that restricts the claimant's use of the property and has the effect of reducing the fair market value of the property.

The Chief Operating Officer (COO) sent notice of date, time and location of the public hearing on this claim before the Metro Council on February 2, 2007. The notice indicated that a copy of this report is available upon request and that the report is posted on Metro's website at www.metro-region.org/measure37.

II. SUMMARY OF COO RECOMMENDATION

The COO recommends that the Metro Council deny the claim for the reasons explained in section IV of this report. The facts and analysis indicate that Metro's action to bring claimant's land into the Urban

Growth Boundary (UGB), designate it Inner Neighborhood (allowing high-density residential development), and applying a temporary 20-acre minimum lot size while planning is completed did not reduce the fair market value of claimant's property.

III TIMELINESS OF CLAIM

ORS 197.352(5) requires that a written demand for compensation be made:

1. For claims arising from a land use regulation enacted *prior* to the effective date of Measure 37 (December 2, 2004), within two years of that date, or of the date a public entity applies the regulation to the property as an approval criterion in response to an application submitted by the owner, whichever is later; or
2. For claims arising from a land use regulation enacted *after* the effective date of Measure 37 (December 2, 2004), within two years of the enactment of the regulation, or of the date the owner of the property submits a land use application for the property in which the regulation is an approval criterion, whichever is later.

Findings of Fact

The claimant submitted this claim on November 29, 2006. The claim identifies Metro Code section 3.07.1110 C as the basis of the claim.

Metro Council applied the regulation to the claimant's property on December 5, 2002 (effective March 5, 2003), by Ordinance No. 02-969B, prior to the effective date of Measure 37 (December 2, 2004). This ordinance added 18,638 acres to the Urban Growth Boundary, primarily in the Damascus urban expansion area, that includes the claimant's property. This ordinance also designated the claimant's property as Inner Neighborhood.

Conclusions of Law

Metro adopted the regulation that gives rise to this claim prior to the effective date of Measure 37, and claimants filed the claim within two years of the effective date of Measure 37. The claim, therefore, is timely.

IV. ANALYSIS OF CLAIM

1. Ownership

Metro Code section 2.22.020(c) defines "owner" to mean the owner of the property or any interest therein. "Owner" includes all persons or entities that share ownership of a property.

Findings of Fact

Claimant acquired an ownership interest in the 7.77-acre subject property through a Contract recorded on September 26, 1972 and has had a continuous ownership interest since that time. The property consists of two tax lots, one of which is 2.65 acres and the other of which is 5.12 acres. Attachment 1 is a site map of the subject property (ATTACHMENT 1). There is a house on the 2.65-acre tax lot. The 5.12-acre tax lot has no improvements.

Conclusions of Law

The claimant, Velma Pauline Povey, Trustee of the Povey Trust is owner of the subject property as defined in the Metro Code.

2. Zoning History

Findings of Fact

Claimant asserts that the zoning of the subject property at the time of claimant's acquisition allowed for one-acre lots. At the time of Metro's inclusion of the subject property into the UGB, the subject property was zoned RRFF-5, allowing one dwelling unit per five acres. Since a single-family dwelling is presently on the 2.65-acre tax lot, no further development could occur under the RRFF-5 designation on that tax lot. Under the RRFF-5 zoning, one additional dwelling unit could be constructed on the 5.12-acre tax lot.

Conclusions of Law

Section 3.07.1110 C of Metro's Code does not reduce the number of lots allowable on the subject property. Under the existing RRFF-5 zoning, no subdivisions of either of the two tax lots would be allowed because of the five-acre per lot minimum.

3. Applicability of a Metro Functional Plan Requirement

Findings of Fact

In 2002, Metro Council expanded the UGB by adopting Ordinance No. 02-969B, including the claimant's property in the UGB expansion area.

Section 3.07.1110 C of Metro's Code prohibits any division of land into lots or parcels smaller than 20 acres, except for public schools or other urban services, pending adoption of urban comprehensive plan designations and zoning.

Conclusions of Law

Section 3.07.1110 C of the Metro Code applies to the subject property and became applicable after the claimant acquired the property. Thus, the section did not apply to the subject property at the time claimant acquired it. The section does not allow the claimant to partition or subdivide either of the two tax lots that constitute her 7.77-acre property until the City of Damascus adopts its comprehensive plan.

4. Effect of Functional Plan Requirements on Fair Market Value

Findings of Fact

Section 2.21.040(d)(5) of the Metro Code requires the Chief Operating Officer (COO) to determine whether the temporary 20-acre minimum size for the creation of new lots or parcels applicable to territory newly added to the UGB has reduced the value of claimant's land. The COO's conclusion is based upon the analysis of the effect of Metro's action contained in ATTACHMENT 2 (Metro Memorandum to Ray Valone and Richard Benner from Sonny Conder and Karen Hohndel dated February 2, 2007 (Conder Memo)).

Claimant has submitted a request for compensation that is based on the proposed subdivision of the property into 7.77 lots, though only seven lots would be allowed under one-acre minimum lot zoning, should claimant be successful in her pending claim against Clackamas County. At that one-acre minimum lot size, only 7 lots would be allowable. Claimant further asserts that a one-acre lot is worth \$200,000, for a total potential value of \$1,554,000. Claimant provides no sales or assessor's data to support this claim.

Additionally, claimant does not account for the costs of subdividing and providing services to the subject property that would necessarily be incurred in order to realize the asserted fair market value.

Claimant asserts the following diminution in value attributable to Metro regulations:

Current FMV:

Land (2 lots):	\$350,000
Improvements:	\$ - (no distinction made between land & improvements)
Current Total:	\$350,000

Claimant assertion of potential FMV:

7.77 lots FMV at \$200,000/lot:	\$1,554,000
Less development costs:	\$(-)
Potential FMV:	\$1,554,000

Claimed reduction in FMV: \$1,204,000

Conclusions of Law

Given the 7.77-acre size of the property (one lot at 2.65 acres and one lot at 5.12 acres), no further subdivision would be allowed under either the RRFF-5 or the temporary 20-acre minimum lot size as any subdivision would necessarily result in at least one lot of less than five acres. Therefore, Metro's temporary regulation does not further restrict claimant's ability to subdivide her property beyond the property's zoning restrictions in place at the time of Metro's action.

The Conder Memo provides a more thorough analysis of the property's value, using two different methods for determining the effect of Metro's action on the value of claimant's property. The conclusions of that memo are summarized below.

A. "Comparable Sales" Method

This method compares the value of the property in its current regulatory setting with its value today as though Metro's action had not happened, using transactions involving comparable properties in both "before" and "after" scenarios. Under the "before" scenario, the property would be outside the UGB with the zoning that applied at the time of the application of Metro's regulation: 7.77-acres zoned RRFF-5 (Rural Residential-Farm/Forest, five acre minimum lot size). Given these zoning requirements, claimant would not have been able to obtain approval to further divide the two tax lots that constitute their 7.77-acre property and would only be eligible for one additional single-family dwelling (on the 5.12-acre tax lot).

Under the "after" scenario (current regulatory setting), the land lies within the UGB. The property is designated Inner Neighborhood. The property is subject to a temporary 20-acre minimum lot size to preserve the status quo while the City of Damascus completes the comprehensive planning necessary to allow urbanization of the previously rural (outside the UGB) land. The comparable sales method assumes claimant will eventually be able to use the property for high-density residential development (ranging from 38 to 54 residential lots on the buildable portions of the subject property).

Table 4 of the Condor Memo compares today's value of the property before and after Metro's action, adjusting in both cases for costs of development and limitations on development of the site that a prudent investor would take into account. The table shows that the FMV of the property under existing regulations greatly exceeds the value of the property under RRFF-5 zoning outside the UGB. The analysis using this methodology indicates that the current regulatory setting has not reduced the FMV of the subject property. In fact, the analysis indicates that Metro's actions have increased the property's FMV.

B. Alternative Method Using Time Trend Data Suggested by Plantinga/Jaeger

The Condor Memo uses time-series data to determine whether the application of Metro regulations to the property reduced its value. The data show values before and after Metro's inclusion of the property in the UGB and application of Metro's regulations. The data are displayed in Table 3 of the memo. There is no indication from the data that Metro's regulations reduced the value of the property. The data show that the property continued to increase in value after March 5, 2003, the date the regulations became applicable to the property.

Conclusions of Law

The comparable sales method compares the value of similarly situated properties before and after the application of Metro's regulations. The Plantinga-Jaeger method as applied in this case measures the assessor's real market value of the property before and after Metro's March 5, 2003, action. The Plantinga-Jaeger method provides a clearer and more accurate answer to the question posed by Measure 37: Did Metro's action reduce the FMV of the subject property? Application of the method shows that the FMV of the subject property continued to rise after Metro included it in the UGB with the Inner Neighborhood designation and the temporary 20-acre minimum lot size.

Property value data indicate that Metro's action to bring claimant's land into the UGB, designate it Inner Neighborhood (allowing high-density residential development), and apply a temporary 20-acre minimum lot size while planning is completed did not reduce the FMV of her property.

5. Exemptions under ORS 197.352(3)

Findings of Fact

Section 3.07.1110 C of the Metro Code does not restrict or prohibit a public nuisance, the selling of pornography or nude dancing, is not intended to protect public health or safety, and is not required to comply with federal law.

Conclusions of Law

Section 3.07.1110 C of the Metro Code is not exempt from Measure 37 under ORS 197.352(3).

6. Relief for Claimant

Findings of Fact

The Metro Council has appropriated no funds for compensation of claims under Measure 37. Waiver of Metro Code Section 3.07.1110 C to the subject property would allow the claimant to apply to the City of Damascus to divide the subject property into one acre lots and to develop a single family dwelling on each lot that does not already contain a dwelling. The effect of development as proposed by the claimant will be to reduce the residential capacity of the City of Damascus and of the UGB. It would also make provision of urban services less efficient and more complicated. Finally, it would undermine the planning now underway by the City of Damascus to create a complete and livable community.

Conclusions of Law

Based on the record, the claimant has not established that they are entitled to relief in the form of compensation or waiver of the interim 20-acre minimum lot size requirement under Metro Code Section 3.07.1110 C.

Recommendation of the Chief Operating Officer

The Metro Council should deny the Povey claim for the reason that the Metro Code Section 3.07.1110 C and Metro Council's Ordinance No. 02-969B did not reduce the value of the subject property.

ATTACHMENTS TO THE REPORT OF THE CHIEF OPERATING OFFICER

Attachment 1: Site Map of Velma Pauline Povey Property


Attachment 2: Metro Memorandum to Ray Valone and Richard Benner from Sonny Conder and Karen Hohndel, "Valuation Report on the Povey Measure 37 Claim," dated February 2, 2007

Attachment 3: Sample Area of 2004-2005 Sales Data for Damascus UGB Expansion Area and One Mile Buffer, Clackamas County, OR

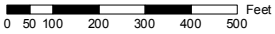
Attachment 4: Velma Pauline Povey Measure 37 Claim Submittal to Metro

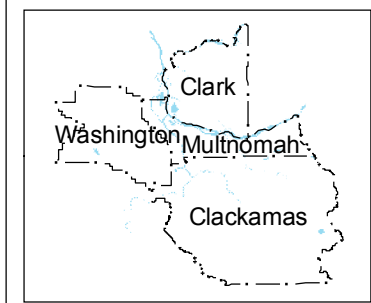
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Site Map Povey Measure 37 Claim

 Subject Property

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

1 inch equals 0.08 miles
 Feet
0 50 100 200 300 400 500



Location Map



METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
TEL (503) 797-1742 | FAX (503) 797-1909
drc@metro.dst.or.us | www.metro-region.org



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Attachment 2 to COO Report

February 2, 2007

To: Ray Valone
Richard Benner

From: Sonny Conder
Karen Hohndel

Subject: Valuation Report on the Povey Measure 37 Claim

Conclusion

Per your request, we have conducted a valuation analysis of the Povey Measure 37 Claim. The Metro designation of 'Inner Neighborhood' applies to the Povey Claim. We conclude, using the comparable sales method of determining possible reduction in value, that the Metro action of including the 2.65-acre tax lot and the 5.12-acre tax lot (7.77 acres in total) inside the urban growth boundary (UGB), designating it 'Inner Neighborhood', and imposing a temporary 20-acre minimum lot size for development did not produce a material loss of value for the subject property¹. In all likelihood, the action produced an increase in value for the claimant's property.

Using a time series variation of the Plantinga-Jaeger method of determining property value loss due to regulation also indicates no loss of value for the 7.77-acre property. This conclusion rests on the observation that the assessor's market value for that particular property has continued to increase since the Metro 2003 regulation. Moreover, the entire class of comparably sized RRF-5 acre lot size designated parcels within the expansion area has continued to increase since the Metro 2003 regulation.

The Plantinga-Jaeger method as applied in this case measures the value of the property before and after Metro's action of March 5, 2003. The comparable sales method compares today's value of similarly situated properties under current regulations with today's value under the regulations in place before Metro's action. The Plantinga-Jaeger method provides a more clear and accurate answer to the question posed by Measure 37: Did Metro's action reduce the fair market value (FMV) of the Povey property? Application of the method shows that the FMV of the Povey property continued to rise after Metro included it in the UGB with the 'Inner Neighborhood' designation and the temporary 20-acre minimum lot size.

We consider the time trend and Plantinga – Jaeger methods to be consistent approaches to determining whether a claimant has experienced a property value loss due to a particular government regulation. The comparative sales method yields an estimate of what a particular property owner may gain, not an estimate of what they have lost.

¹ We use the term "material" in the accounting/auditing sense that given the statistical variability inherent in the data there is no difference between two measurements of land value.

Conceptual Understanding for Basis of Property Value Analysis

We understand the present Measure 37 valuation issue to consist of making two property value estimates. These are:

Estimate the FMV of the property subject to the regulation that the claimant contends has reduced the value of his property.

Estimate the FMV of the property today as though it were subject to the regulations in place prior to the date Metro first applied the regulation to the claimant's property.

Metro Ordinance No. 02-969B applied a set of new regulations to the claimant's property. First, the ordinance brought claimant's property into the region's UGB, making the property eligible for urban residential densities on the parcel rather than rural low-density development. One hundred percent of the 7.77-acre property was designated 'Inner Neighborhood', allowing urban-level residential use on the property. Second, the ordinance applied a temporary 20-acre minimum lot size to protect the status quo while local governments complete amendments to comprehensive plans, scheduled for completion in 2008, to allow urban development. Within this overall framework of these two land use designations, any particular property may have a substantial range of development types and lot sizes. Implicit in these design type designations is the availability of urban level capital facilities including sanitary sewers, storm water retention and management, water distribution, streets, roads, parks and other infrastructure and services associated with urban living. All development is assumed to occur in compliance with all health and safety regulations.

The default land use at the time of Metro's regulatory action was the Clackamas County designation of RRFF-5 on the 7.77-acre property. This land use designation is a rural designation allowing one dwelling unit per 5 acres. Since a single-family dwelling is presently on the 2.65-acre tax lot, no further development could occur under the RRFF-5 designation on that tax lot. Under RRFF-5 zoning one additional dwelling unit could be constructed on the 5.12-acre tax lot.

Most significant is that the reference default land use must be outside the present UGB in a rural setting. While seeming to be a subtle distinction, the requirement of a rural setting outside the UGB is conceptually pivotal to the valuation. To use RRFF-5 equivalent land inside the UGB as a basis for valuation includes the property value increasing amenity effects of urban services and infrastructure. It is logically contradictory to argue that inclusion inside the UGB and designation of the land for urban purposes has reduced a property's value but to include those very effects in the estimate of the property value without the subject action.

Alternative Method of Computing Property Value Loss Resulting From Regulation

Estimating loss of property value using the usual appraisal method of "comparative sales" has been the subject of substantial criticism. Andrew Plantinga and William Jaeger 2, economists at

² Andrew Plantinga, *Measuring Compensation Under Measure 37: An Economist's Perspective*, Dec. 2004, 15 pages. (Available at OSU Department of Agricultural and Resource Economics, URL: plantinga@oregonstate.edu).

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OSU, have written papers pointing out that using the method of comparative sales does not compute the loss due to regulation. Rather, the estimated “value loss” is actually the gain resulting from obtaining an exemption to the general rule. To better understand their arguments, we may think of the comparative sales method of determining an economic loss as equivalent to determining the value of issuing someone a special license or franchise to carry out an economically valuable function that others may not do. For instance, licenses to operate taxicabs in New York are seldom issued and in great demand. As a result, the license itself has acquired substantial economic value. An example closer to home is the value of an Oregon Liquor License prior to more liberal issuing standards in the 1980’s. In the 1950’s through roughly the 1970’s, an Oregon Liquor License for a restaurant or bar vastly increased the property value of the establishment that had one. Plantinga and Jaeger argue that the value of the property hinges on scarcity resulting from regulation. If everyone had a taxicab or liquor license, they would have no value. From an economic perspective, using a method that really measures value gained from regulation is not the same as determining economic loss resulting from regulation.

Plantinga and Jaeger go on to suggest an economically appropriate measure of loss resulting from subsequent land use regulation. Their method is grounded in the well-established and tested Theory of Land Rent. Simplified a bit, the Theory of Land Rent holds that the value of land at any particular time is the future net profit from the land used in its most efficient allowable use. The market also adjusts (discount factor) this value to account for time and uncertainty as to future uses. What this means is that the original sales price incorporates future expectations about how the land might be used. If we take the original sales price and bring it up to the current date by using an appropriate price index, we are able to measure in today’s prices what the land was worth when it was purchased under the original regulatory requirements.

As Metro’s regulatory action was taken in 2003, we have actual time series data to determine whether the subject property experienced a loss of value after Metro’s action. Consequently, we need not index the original sales price as we can observe whether the value actually decreased or not. We are able to make these observations for the particular property and for the entire class of subject properties within the Damascus UGB expansion area. In essence, the simplest approach to answering the question of whether a property lost value as a result of Metro’s regulation is to measure whether the property value decreased following Metro’s action.

This method allows a consistent computation of property loss due to subsequent regulatory changes. At the same time, it avoids awarding particular property owners a bonus that was not anticipated in the original purchase price. Owners should be compensated for what they lost due to the application of Metro’s regulations. They are not awarded an extra benefit owing to unanticipated growth, infrastructure investment or regulatory changes irrespective of any Metro changes.

William K. Jaeger, *The Effects of Land Use Regulations of Land Prices*, Oct. 2005, 38 pages. (Available at OSU Department of Agricultural and Resource Economics, URL: wjaeger@oregonstate.edu).

Also: William K Jaeger, *The Effects of Land-Use Regulations on Property Values*, **Environmental Law**, Vol. 36:105, pp. 105 – 127, Andrew J. Plantinga, et. al., *The effects of potential land development on agricultural land prices*, **Journal of Urban Economics**, 52, (2002), pp. 561 – 581. and Sonny Conder and Karen Hohndel, *Measure 37: Compensating wipeouts or insuring windfalls?*, **Oregon Planners’ Journal**, Vol. 23, No 1. Dec. – Jan 2005. pp. 6 – 9.

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Property Valuation Analysis Procedure

Our property valuation analysis procedure consists of the following steps:

Briefly describe the property and make a prudent assessment of development limitations to establish a likely range of development capacity under 'Inner Neighborhood', and RRFF-5, assuming health and safety regulations are enforced.

Estimate value of property based on recent sales (2004,2005,2006) of lots and existing properties inside the Damascus expansion area designation of 'Inner Neighborhood' development configurations and including a 10-year discount factor for lag time in service provision. Since we implicitly assume the existing residential structure will be removed, account for the existing dwelling unit by adding in the value of a 10-year rent annuity appropriately discounted.

Based on recent sales (2005) of property in a buffer zone extending 1 mile outside the present UGB within Clackamas County, determine the value of residential property on lots of 5 to 15 acres in size. This procedure establishes a reasonable range of values for residential properties of RRFF-5 configuration in a rural setting.

For the RRFF-5 valuation assume that the 2.65-acre tax lot continues as is with the existing residence.

Provide an alternative determination of loss of value of the Povey property based on time series before and after Metro's regulatory action.

Provide and compare estimates of the value of the subject property as of 2006 with Metro's 'Inner Neighborhood' designation versus Clackamas County's RRFF-5.

Povey Property Description

The subject property consists of two tax lots of 2.65 acres and 5.12 acres two tax lots north of 257th and Hoffmeister Road in the city of Damascus adjacent to but inside the Urban Growth Boundary. Clackamas County Assessor data show two tax lots with one residential structure located on the 2.65-acre tax lot. Assessor market value as of 2006 for the 2.65-acre lot is \$159,217 with the improvement at \$35,060 and the land at \$124,157. The 5.12-acre vacant tax lot has an Assessor RMV of \$133,661. Data submitted with the claim indicate 15 acres that included the property were purchased in 1972. Purchase price was \$ 26,400.

Outside visual inspection indicates the residential structure is a manufactured home in good, well-maintained condition on a concrete foundation with a substantial but unknown amount of floor space.

Visual inspection indicates a relatively level northeast sloping farm nursery land with a home and outbuildings in the northwest corner of the property. Other than the existence of the present

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structures no visible impediments to development exist. Part of the property enjoys a modest view to the southeast Cascades foothills.

It is not in our professional capacity to assert with authority any definitive estimate of what the site limitations are, but rather to reflect what any prudent property investor must consider when pricing raw land. This holds true for both Metro's 'Inner Neighborhood' designation, and the default use of RRFF-5 zoning.

Land Use Capacity Estimates – 5.12-Acre Parcel and 2.65-Acre Parcel as 'Inner Neighborhood' and as RRFF-5

As noted above, the Povey property has Metro's 'Inner Neighborhood' designation. Metro's 'Inner Neighborhood' allows a wide range of residential densities more limited by market and site conditions than regulation. The market rather than site impose limitations on the Povey property. We estimate that the 'Inner Neighborhood' property will be developed within 10 years as moderate value single family with a density of 5 – 7 units per acre. In this case both the 2.65-acre parcel and the 5.12-acre parcel would be used with the existing residential structure on the 2.65-acre parcel being demolished.

Using the RRFF-5 Clackamas County land use designation in effect at the time of Metro's UGB action, we assume that the 2.65-acre property cannot be further subdivided. The remaining vacant 5.12-acre property may be used for one residence but cannot be further subdivided. This assumption results from the fact that the Clackamas County ordinance prohibits division of a parcel smaller than 10 acres. Consequently, one additional dwelling unit may be built under RRFF-5 zoning.

Current Value Estimate of 'Inner Neighborhood' Land in Damascus Expansion Area

In order to establish a reasonable range of lot values for developing urban areas with infrastructure and nearby urban services, we evaluated all recent sales (year 2005) of land and lots within the Damascus UGB expansion area. As detailed in relevant data file and confirmed by the Clackamas County Assessor's office, currently one area is under development. It consists of 38 acres that was included in the expansion area and annexed to city of Happy Valley. Data indicate that 152 lots of 7000 – 10000 square feet have been sold for \$22.6 million for an average of \$149,000 per lot. The lot price range was from \$127,000 to \$175,000. The lots in question are ready to build lots with complete urban services inside the city of Happy Valley. They were also designated 'Inner Neighborhood' when included within the UGB and subsequently zoned to R10 by Happy Valley.

Since these lots were located in the urbanized, extreme western portion of the expansion area, we also examined a recently developed residential area immediately south of Highway 212 in the Anderegg Road area. Relevant summary results are in Table 1 below.

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Table 1: Summary Property Value Data – Damascus Area ‘Inner Neighborhood’ Designation Highway 212 Development

Average Lot Size:	5,805 sq. ft.
Median Lot Size:	5,148 sq. ft.
Average Lot Value:	\$93,100
Median Lot Value:	\$92,200
Average Total Property Value:	\$273,600
Median Total Property Value:	\$267,100
Number of Sales:	51

When we adjust for lot size, and the availability of full urban services, the data support a lot value range of \$90,000 – \$110,000 per buildable lot in 2006 dollars for ‘Inner Neighborhood’ type development on the subject property.

Current Value Estimate of “5 Acre Minimum Buildable Lots” in the 1-Mile Buffer Area Outside the UGB

To establish the value range for “5-Acre Minimum” size lots with RRFF-5 zoning within the Clackamas County rural area, we selected all residential properties that sold in 2004 and 2005 within the 1 mile zone subject to the Land Conservation and Development Commission’s 20-acre minimum lot size with a lot size of 5 to 15 acres. These comprised 17 properties and their summary statistics are included below in Table 2.

Table 2: Summary Property Value Data – Clackamas County 1-Mile Buffer RRFF-5 Zoning 5 – 15 Acre Lots with Recent Sales

Average Lot Size:	7.3 acres
Median Lot Size:	6.3 acres
Average Acre Value:	\$26,435
Median Acre Value:	\$22,297

The data suggest that the Povey raw land value with a 5-acre minimum lot size restriction that limits the property to 1 residential unit would be worth \$114,000 to \$135,000 in a rural residential setting outside the Urban Growth Boundary. Adjusting for the modest view property adds another \$50,000 – \$75,000 to the value for a total range of \$164,000 - \$210,000 for the 5.12 acres in rural residential use.

As noted in the Povey property description the Assessor’s RMV for the 2.65-acre lot with existing improvement amounts to \$159,217. Using a net rental proceeds basis for the valuation we estimate the value of the 2.65-acre parcel to be \$185,000.

Alternative Valuation of Povey Property Using the Time Trend Method Suggested by Plantinga and Jaeger

Resolution No. 07-3776
Attachment 2 to COO Report

OSU economists Andrew Plantinga and William Jaeger have challenged the “comparable sales” approach of traditional appraisal methods. They have pointed out that it really measures the value obtained by an exception to the current rule, rather than a measure of economic loss suffered as a result of government land use regulation. Since the subject Metro regulatory change was recent (2003), we have before and after time series data to determine whether the Povey property actually experienced a loss of value after the Metro regulation.

Accordingly, we have tabulated property value data for the entire expansion area from assessor’s records for the years 2001 through 2006. Since the 2.65-acre property has an existing residence we show it separate from the 5.12-acre tax lot. We also present the data for all RRFF-5 designated properties within the expansion area between 5 and 15 acres in size. Table 3 below depicts the results by year.

Table 3: Povey Per Acre Value and Expansion Area Land Values 2000 – 2006

Year	Povey 5.12	Povey 2.65	Average All 5 – 15 Acre RRFF-5
2001	20,566	54,619	17,357
2002	21,575	56,596	18,854
2003	21,791	53,739	19,194
2004	22,869	56,787	20,280
2005	24,164	59,661	21,515
2006	26,106	60,082	23,275

Both the Povey property assessor’s market value and the average value of all RRFF-5 tax lots within the study area increased steadily from 2003 through 2006. There is no evidence that Metro’s action of including the property within the UGB and imposing a temporary minimum lot size of 20 acres has reduced property values.

Table 4: Comparison of Estimated Market Value of Raw Land for Inner Neighborhood, and RRFF-5 Land Uses

Inner Neighborhood (7.77 acres)	
Low Yield (7.77 x 5):	38 DU (dwelling units)
Low Range Lot Value:	\$90,000
Development Cost per Lot 3:	\$50,000
Net Raw Land per Lot:	\$40,000
Total Raw Land Value (38x40,000):	\$1,520,000
Current Market Value 7.77 acres	
Discounted 10 years:	\$810,000
Plus Discounted Rental Value of Residence for 10 years:	\$86,000

³ We are assuming the cost of converting raw land to buildable lots will be \$50,000 per lot. This figure includes on-site streets, curbs, sidewalks, streetlights, water, sewer, and drainage as well as SDC’s for sewer, water, drainage, parks and transportation.

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Total Low Value:	\$896,000
High Yield (7.77 x 7):	54 DU
High Range Lot Value:	\$110,000
Development Cost per Lot:	\$50,000
Net Raw Land per Lot:	\$60,000
Total Raw Land Value (54x60,000):	\$3,240,000
Current Market Value for 7.77 acres	
Discounted 10 years:	\$1,726,000
Plus Discounted Rental Value of Residence for 10 years:	\$86,000
Total High Value:	\$1,812,000
Total Low Value (7.77 acres): 4	\$896,000
Total High Value (7.77 acres):	\$1,812,000

RRFF-5 (5-Acre Minimum)

Low Range:	
1 Residential Unit (5.12 acre Lot)	\$164,000
Existing Residential Lot (2.65 acre)	\$185,000
Total Low Range:	\$349,000

High Range:	
1 Residential Unit (5.12 acre Lot)	\$210,000
Existing Residential Lot (2.65 acre)	\$185,000
Total Low Range:	\$395,000

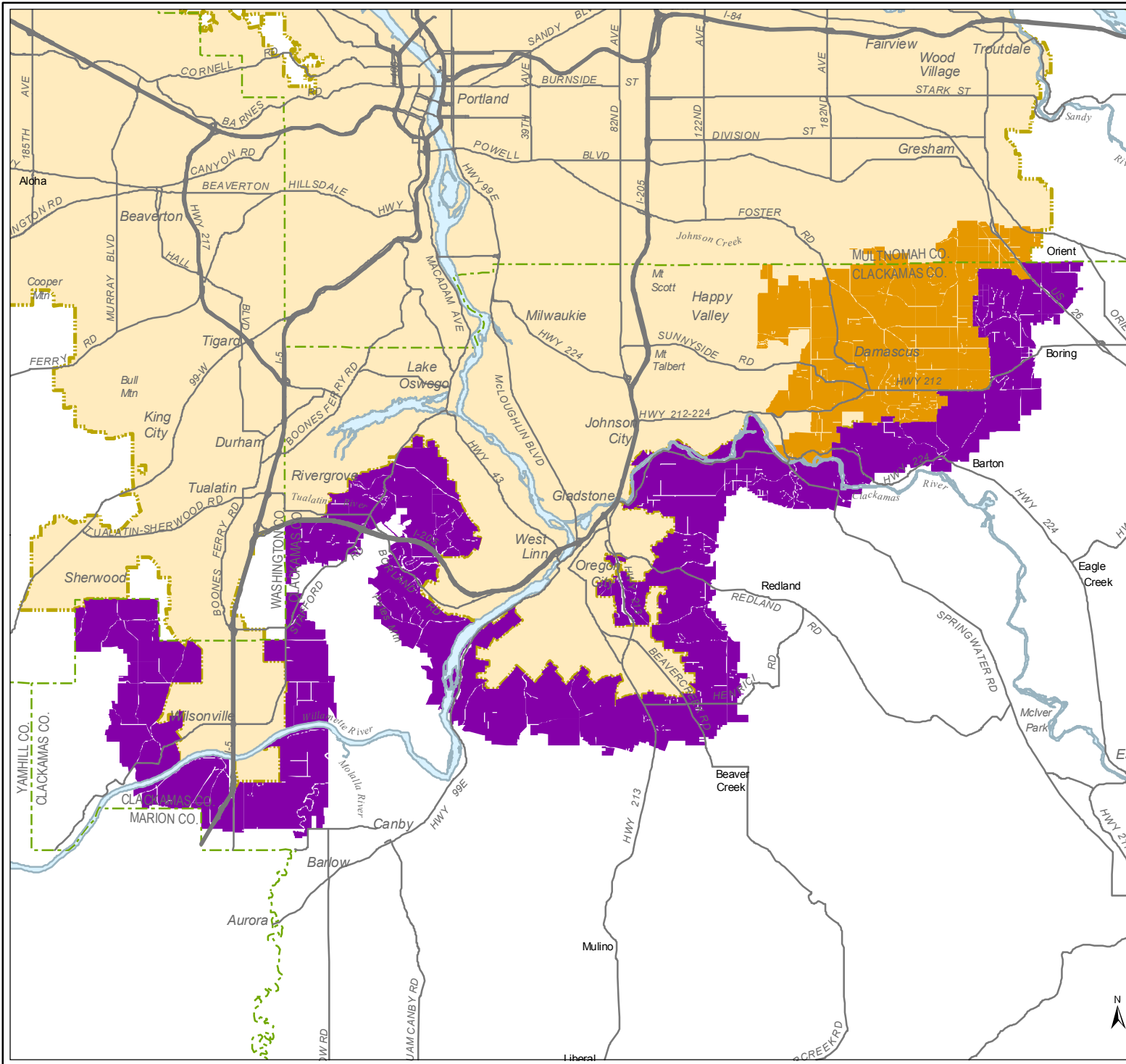
We estimate the current raw land value plus residence of the Povey property with 'Inner Neighborhood' designation to range from \$896,000 to \$1,812,000. The same property used as Rural Residential in a rural setting with a 5-acre minimum would yield \$349,000 to \$395,000. In other words, the most optimistic rural valuation falls well below the most pessimistic 'Inner Neighborhood' valuation. Given these results, we would conclude that the 'Inner Neighborhood' designation has not reduced the value of the property. Quite the contrary, it has most likely increased the value.

Moreover, in terms of establishing economic loss, the land values per acre established using the time trend Plantinga-Jaeger method shows land values increasing steadily since 2003. Clearly, under no circumstances has any regulatory change to the Povey property reduced its value. Again, the contrary is the case. Growth, infrastructure investment and regulation necessary for orderly growth have produced increases in property values well in excess of any alternative investment for the Povey property.

⁴ Total Low Value = Inner Neighborhood low yield

⁵ Total High Value = Inner Neighborhood high yield

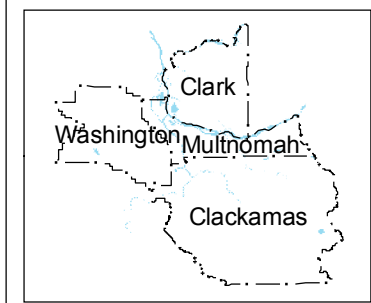
Sample Area of 2004-2005 Sales Data for Damascus UGB Expansion Area and One Mile Buffer, Clackamas County, OR



- Damascus UGB Expansion Area
- One Mile Buffer
- County Line
- Inside Metro UGB

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the warranty of merchantability or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.

1 inch equals 3.31 miles
 0 1 2 Miles



Location Map



METRO DATA RESOURCE CENTER
 600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
 TEL (503) 797-1742 | FAX (503) 797-1909
 dr@metro.dst.or.us | www.metro-region.org

RECEIVED

NOV 29 2006

METRO MEASURE 37 CLAIM

VELMA PAULINE ~~POVEY~~ REVOCABLE TRUST

OFFICE OF METRO ATTORNEY

WHAT IS PROPOSED: DIVISION OF 7.77 ACRES INTO 1 ACRE LOTS AS ALLOWED AT DATE OF ACQUISITION.

AT THE TIME OF ACQUISITION THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPARABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.

LEGAL DESCRIPTION:


COUNTY:	CLACKAMAS	STATE: OREGON	ZIP:
TAX LOT #'S:	LOT 1410 5.12 ACRES LOT 1412 2.65 ACRES	23E02A 01410 23E02A 01412	ACCOUNT # 00601637 ACCOUNT # 0150956
TOWNSHIP	SEE ABOVE		
RANGE	SEE ABOVE		
SEE LEGAL DESCRIPTION EXHIBIT A ATTACHED TO FIRST AMERICAN TITLE CHAIN OF TITLE			

NAME OF CONTACT PERSON: WILLIAM C. COX, ATTORNEY AT LAW
MAILING ADDRESS: 0244 SW CALIFORNIA STREET
CITY, STATE, ZIP: PORTLAND, OREGON 97219

OFFICE PHONE: 503-246-5499
CELL PHONE: 503-475-5475

PROPERTY OWNER: VELMA PAULINE ~~POVEY~~, TRUSTEE

OWNER SIGNATURE:
ATTORNEY:


 BY WILLIAM C. COX, ATTORNEY IN FACT

SEE ATTACHED POWER OF

1. OTHER PERSONS WITH AN INTEREST IN THE PROPERTY: SEE ATTACHED MEASURE 37 LOT BOOK
SERVICE DOCUMENTS:

2. EXACT DATE THE CURRENT OWNER ACQUIRED THE PROPERTY? SEPTEMBER 15, 1972

3. FAMILY HISTORY OF OWNERSHIP: THE APPLICANT ACQUIRED THE PROPERTY IN 1972
 NO PRIOR FAMILY OWNERSHIP.

4. OFFENDING REGULATIONS:

LAW OR RULE:	OAR 660-14-0040	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020;	IMPOSES DEVELOPMENT LIMITATIONS BASED UPON CLAIMED RESOURCE DESIGNATION

Resolution No. 07-3776
Attachment 4 to COO Report

	660-23-0000 TO 0250	
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	ALL STATE WIDE PLANNING GOALS AND ADMINISTRATIVE RULES, STATUTES, AND CODES ADOPTED AND/OR ENFORCEABLE SINCE ACQUISITION OF PROPERTY BY CLAIMANT	CLAIMANT HEREBY ASSERTS A CLAIM AGAINST EACH AND EVERY LAND USE REGULATION THAT RESTRICTS THE USE OF CLAIMANT'S PROPERTY AND HAS THE EFFECT OF REDUCING THE FAIR MARKET VALUE OF THE PROPERTY. THE LIST IS NOT INTENDED TO BE LIMITING OR OTHERWISE PRECLUDE CLAIMANT FROM SEEKING RELIEF FROM OTHER, NOT SPECIFICALLY IDENTIFIED, RESTRICTIVE REGULATIONS. CLAIMANT REQUESTS THAT THE COUNTY IDENTIFY OTHER REGULATIONS THAT RESTRICT THE DIVISION AND DEVELOPMENT OF CLAIMANT'S PROPERTY AS SOUGHT PURSUANT TO THIS CLAIM. IT IS NOT POSSIBLE TO KNOW AT THIS TIME WHETHER OR TO WHAT DEGREE ADDITIONAL REGULATIONS WILL BE ADOPTED THAT WILL RESTRICT THE DEVELOPMENT OF THE PROPERTY. CLAIMANT REQUESTS AND RESERVES THE RIGHT TO RESUBMIT TO THE COUNTY/BOARD OF COUNTY COMMISSIONERS FOR CONSIDERATION UNDER MEASURE 37 ANY LAND USE REGULATION THAT MAY, DURING THE DEVELOPMENT PROCESS, RESTRICT THE USE OF PROPERTY AND ACT TO REDUCE THE FAIR MARKET VALUE OF THE PROPERTY.
LAW OR RULE:	METRO CODE 3.07.1110	PROHIBITS CREATION OF LOTS WITH FEWER THAN 20 ACRES. REDUCES THE NUMBER OF HOMES ALLOWED ON SUBJECT PROPERTY.

5. DATE OF EFFECT

LAW OR RULE:	OAR 660-14-0040	OCTOBER, 2000
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	AFTER PURCHASE WHICH OCCURRED IN 1972 EXACT DATES UNKNOWN; AT DATE OF CLACKAMAS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	AFTER PURCHASE WHICH OCCURRED IN 1972; AT DATE OF CLACKAMS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	METRO CODE TITLE 11, SECTION 3.07.1110	THE METRO COUNCIL ADOPTED THE REGULATION THAT GIVES RISE TO THIS CLAIM ON SEPTEMBER 10TH, 1998, BY ORDINANCE 98-772B. METRO COUNCIL APPLIED THE REGULATION TO A PORTION OF THE CLAIMANTS' PROPERTY FOLLOWING THAT DATE. EXACT DATE UNCERTAIN.

6. AMOUNT OF PROPERTY VALUE REDUCTION

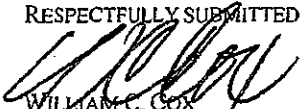
FAIR MARKET VALUE REDUCTION AMOUNT APPROXIMATELY \$1,204,000.	ALL STATE WIDE PLANNING GOALS AND ADMINISTRATIVE RULES, STATUTES AND LOCAL SPECIAL DISTRICT CODES ADOPTED AND ENFORCED BY THE GOVERNING AUTHORITIES SINCE PURCHASE OF	BASIS OF EVALUATION: AT THE TIME OF PURCHASE THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPRABLES IN
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Resolution No. 07-3776
Attachment 4 to COO Report


	PROPERTY BY CLAIMANT	PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.
LAW OR RULE:	OAR 660-14-0040	SEE ABOVE
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	SEE ABOVE
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	SEE ABOVE
LAW OR RULE:	METRO CODE TITLE 11, SECTION 3.07.1110	SEE ABOVE

7. **CLAIM:** THIS IS THE FIRST CLAIM MADE FOR COMPENSATION UNDER THE TERMS OF BALLOT MEASURE 37. IT IS CLAIMANT'S DESIRED RESOLUTION THAT SHE BE ALLOWED TO DEVELOP THE PROPERTY AT THE DENSITY ALLOWED ON THE DATE OF ACQUISITION ON 9/15/72 WHEN THE PROPERTY CONTAINED NO ZONING OR OVERLAY DESIGNATIONS. THE DESIRED DENSITY SHOULD BE ALLOWED WITHOUT REGARD TO ANY RESTRICTIONS. IN THE ALTERNATIVE CLAIMANT REQUESTS THAT HE BE REIMBURSED THE ABOVE EXPRESSED \$1,204,000
8. **BASIS OF LOSS ESTIMATE:** AT THE TIME OF PURCHASE THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPARABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.
9. **ADDITIONAL MATERIALS REQUESTED:**
- A. **REAL PROPERTY APPRAISAL:** THE VALUES USED HEREIN ARE CONSISTENT WITH SALES OF RURAL VIEW ACREAGE PROPERTIES IN THE COUNTY. IT IS APPLICANT'S OPINION THAT AN APPRAISAL IS ONLY RELEVANT IF THE COUNTY AND/OR STATE DECIDE TO ENFORCE THE CURRENT USE RESTRICTIONS. A CURRENT APPRAISAL WILL BE SUBMITTED WHEN NOTIFIED THAT THE COUNTY WILL PURCHASE THE PROPERTY. AN APPRAISAL SUBMITTED BEFORE KNOWING OF COUNTY'S DECISION WOULD LIKELY BE OUT OF DATE UNDER THE MEASURE 37 PROCESSING OBLIGATION OF 180 DAYS.
- B. **A TITLE REPORT:** SEE ATTACHED.
- C. **COPIES OF ANY LEASES OR COVENANTS.** NONE
- D. **CLAIMS PROCESSING FEE.** SUCH A FEE WILL BE SUBMITTED UPON PROOF THAT A GOVERNING AUTHORITY HAS AUTHORITY TO DEMAND A PROCESSING FEE UNDER THE TERMS OF MEASURE 37.

RESPECTFULLY SUBMITTED,


WILLIAM C. COX
ATTORNEY FOR APPLICANT

Resolution No. 07-3776
Attachment 4 to COO Report

	<h1>M37 Claim Form</h1>
	<p>Risk Management - State Services Division 1225 Ferry St. SE U160, Salem, Oregon 97301-4292 Web Site: http://www.oregon.gov/DAS/Risk/M37.shtml Phone: 503-373-7475</p>

SECTION 1 NAME /PROPERTY OWNER

NAME OF CLAIMANT: VELMA PAULINE POVEY, TRUSTEE	DAY TIME PHONE #: CONTACT AGENT IDENTIFIED BELOW
ADDRESS: SEE AGENT ADDRESS	

SECTION 2 NAME AND CONTACT INFORMATION OF PERSON SUBMITTING CLAIM (AGENT)

NAME OF AGENT: WILLIAM C. COX, ATTY. AT LAW	DAY TIME PHONE #: 503-246-5499	
ADDRESS: 0244 SW CALIFORNIA STREET		
CITY: PORTLAND	STATE: OREGON	97219
MUST ATTACH A WRITTEN NOTARIZED STATEMENT SIGNED BY THE OWNER(S) OR A POWER OF ATTORNEY PROPERLY AUTHORIZING SUBMITTAL OF THIS CLAIM. ATTACHMENT: YES X		

SECTION 3 NAMES AND CONTACT INFORMATION OF OTHERS WITH INTEREST IN THIS PROPERTY: NONE

SECTION 4 PROPERTY FROM WHICH THE CLAIM DERIVES

COUNTY:	CLACKAMAS	STATE: OREGON	ZIP:
TAX LOT #'S:	Lot 1410 5.12 acres Lot 1412. 2.65 acres	23E02A 01410 23E02A 01412	Account # 00601637 Account # 0150956
TOWNSHIP	SEE ABOVE		
RANGE	SEE ABOVE		
SEE LEGAL DESCRIPTION EXHIBIT A ATTACHED TO FIRST AMERICAN TITLE CHAIN OF TITLE			

SECTION 5 EVIDENCE OF OWNERSHIP

THE FOLLOWING IS ATTACHED AS PROOF OF OWNERSHIP:	FIRST AMERICAN TITLE MEASURE 37 LOT BOOK SERVICE
DATE OF ACQUISITION OF PROPERTY:	JUNE 1972 AND OCTOBER 1972
NATURE & SCOPE OF OWNERSHIP OF PROPERTY:	FEE SIMPLE

Resolution No. 07-3776
Attachment 4 to COO Report

ALL ENCROACHMENTS, EASEMENTS, ETC.	SEE LOT BOOK SERVICE DOCUMENT AS REFERRED TO ABOVE
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SECTION 6 NATURE AND MANNER OF RESTRICTION

LAW OR RULE:	OAR 660-14-0040	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	IMPOSES DEVELOPMENT LIMITATIONS BASED UPON CLAIMED RESOURCE DESIGNATION
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	ALL STATE WIDE PLANNING GOALS AND ADMINISTRATIVE RULES, STATUTES, AND CODES ADOPTED AND/OR ENFORCEABLE SINCE ACQUISITION OF PROPERTY BY CLAIMANT	<p>CLAIMANT HEREBY ASSERTS A CLAIM AGAINST EACH AND EVERY LAND USE REGULATION THAT RESTRICTS THE USE OF CLAIMANT'S PROPERTY AND HAS THE EFFECT OF REDUCING THE FAIR MARKET VALUE OF THE PROPERTY. THE LIST IS NOT INTENDED TO BE LIMITING OR OTHERWISE PRECLUDE CLAIMANT FROM SEEKING RELIEF FROM OTHER, NOT SPECIFICALLY IDENTIFIED, RESTRICTIVE REGULATIONS. CLAIMANT REQUESTS THAT THE COUNTY IDENTIFY OTHER REGULATIONS THAT RESTRICT THE DIVISION AND DEVELOPMENT OF CLAIMANT'S PROPERTY AS SOUGHT PURSUANT TO THIS CLAIM.</p> <p>IT IS NOT POSSIBLE TO KNOW AT THIS TIME WHETHER OR TO WHAT DEGREE ADDITIONAL REGULATIONS WILL BE ADOPTED THAT WILL RESTRICT THE DEVELOPMENT OF THE PROPERTY. CLAIMANT REQUESTS AND RESERVES THE RIGHT TO RESUBMIT TO THE COUNTY/BOARD OF COUNTY COMMISSIONERS FOR CONSIDERATION UNDER MEASURE 37 ANY LAND USE REGULATION THAT MAY, DURING THE DEVELOPMENT PROCESS, RESTRICT THE USE OF PROPERTY AND ACT TO REDUCE THE FAIR MARKET VALUE OF THE PROPERTY.</p>
LAW OR RULE:	METRO CODE 3.07.1110	PROHIBITS CREATION OF LOTS WITH FEWER THAN 20 ACRES. REDUCES THE NUMBER OF HOMES ALLOWED ON SUBJECT PROPERTY.

SECTION 7 DATE ON WHICH EACH CITED LAND USE REGULATION BEGAN TO APPLY TO SUBJECT PROPERTY

LAW OR RULE:	OAR 660-14-0040	OCTOBER, 2000
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	AFTER PURCHASE WHICH OCCURRED IN 1972 EXACT DATES UNKNOWN; AT DATE OF CLACKAMAS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	AFTER PURCHASE WHICH OCCURRED IN 1972; AT DATE OF CLACKAMAS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	METRO CODE TITLE II, SECTION 3.07.1110	THE METRO COUNCIL ADOPTED THE REGULATION THAT GIVES RISE TO THIS CLAIM ON SEPTEMBER 10TH, 1998, BY ORDINANCE 98-772B. METRO COUNCIL APPLIED THE REGULATION TO A PORTION OF THE CLAIMANTS' PROPERTY FOLLOWING THAT DATE. EXACT DATE UNCERTAIN.

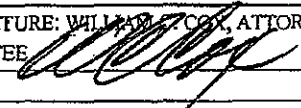
SECTION 8 AMOUNT OF PROPERTY VALUE REDUCTION

FAIR MARKET VALUE REDUCTION AMOUNT APPROXIMATELY \$1,204,000.	ALL STATE WIDE PLANNING GOALS AND ADMINISTRATIVE RULES, STATUTES AND LOCAL SPECIAL	BASIS OF EVALUATION: AT THE TIME OF PURCHASE THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77
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Resolution No. 07-3776
Attachment 4 to COO Report

	DISTRICT CODES ADOPTED AND ENFORCED BY THE GOVERNING AUTHORITIES SINCE PURCHASE OF PROPERTY BY CLAIMANT	ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPRABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.
LAW OR RULE:	OAR 660-14-0040	SEE ABOVE
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	SEE ABOVE
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	SEE ABOVE
LAW OR RULE:	METRO CODE TITLE 11, SECTION 3.07.1110	SEE ABOVE

SECTION 9 AUTHORITY TO ENTER PROPERTY

I/WE AFFIX OUR SIGNATURE(S) TO THIS FORM GRANTING ACCESS TO THE SUBJECT PROPERTY IN ANY MANNER OR FORM DEEMED APPROPRIATE BY STATE AGENCY OR AGENCIES FOR THE REVIEW OF THE PROPERTY IN FURTHERANCE OF THE PROCESSING OR HANDLING OF THIS CLAIM:	
PRINTED NAME: VELMA PAULINE POVEY, TRUSTEE	SIGNATURE: WILLIAM COX, ATTORNEY FOR VELMA PAULINE POVEY TRUSTEE 

SECTION 10 ATTACHMENTS

TITLE REPORT: YES X	DEED: YES X	AFFIDAVITS: YES X	TAX MAP(S) YES X
A FEE WILL BE SUBMITTED UPON PROOF THAT A GOVERNING AUTHORITY HAS AUTHORITY TO DEMAND A PROCESSING FEE UNDER THE TERMS OF MEASURE 37.			

SECTION 11 OTHER CLAIMS FILED

COMPANION CLAIMS HAV BEEN FILED WITH THE METROPOLATIN SERVICE DISTRCT (METRO) AND CLACKAMAS COUNTY, CITY OF DAMASCUS.

Resolution No. 07-3776
Attachment 4 to COO Report

I WILLIAM C. COX ATTEST THAT I HAVE FILLED OUT THIS FORM COMPLETELY AND THIS CLAIM IS TRUE AND CORRECT.

SIGNATURE DATE

STATE OF OREGON

COUNTY OF MULTNOMAH

SIGNED AND SWORN TO BEFORE ME ON NOVEMBER _____ 2006

▽ ▽ ▽ NOTARY SEAL

(NOTARY PUBLIC – STATE OF OREGON)

MY COMMISSION EXPIRES: _____

Resolution No. 07-3776
Attachment 4 to COO Report

MEASURE 37 CLAIM WITH CITY OF DAMASCUS AND CLACKAMAS COUNTY

CLACKAMAS COUNTY PLANNING DIVISION
9101 SE SUNNYBROOK BLVD., CLACKAMAS, OREGON 97015
PHONE (503)-353-4500, FAX (503)-353-4550

FILE NUMBER: _____
DATE RECEIVED: _____
STAFF MEMBER: _____
CPO: _____

NOTE: THIS CLAIM IS COMBINED FOR SUBMITTAL ON THE UNDERSTANDING THAT CLACKAMAS COUNTY IS ADMINISTERING ALL CLAIMS FOR DAMASCUS. IF THAT IS INCORRECT PLEASE LET THE REPRESENTATIVE IDENTIFIED BELOW KNOW.

WHAT IS PROPOSED: DIVISION OF 7.77 ACRES INTO 1 ACRE LOTS AS ALLOWED AT DATE OF ACQUISITION.

AT THE TIME OF ACQUISITION THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPARABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.

LEGAL DESCRIPTION:

COUNTY:	CLACKAMAS	STATE: OREGON	ZIP:
TAX LOT #'S:	Lot 1410 5.12 ACRES Lot 1412 2.65 ACRES	23E02A 01410 23E02A 01412	ACCOUNT # 00601637 ACCOUNT # 0150956
TOWNSHIP	SEE ABOVE		
RANGE	SEE ABOVE		
SEE LEGAL DESCRIPTION EXHIBIT A ATTACHED TO FIRST AMERICAN TITLE CHAIN OF TITLE			

NAME OF CONTACT PERSON: WILLIAM C. COX, ATTORNEY AT LAW
MAILING ADDRESS: 0244 SW CALIFORNIA STREET
CITY, STATE, ZIP: PORTLAND, OREGON 97219

OFFICE PHONE: 503-246-5499
CELL PHONE: 503-475-5475

PROPERTY OWNER: VELMA PAULINE POTTEY, TRUSTEE

OWNER SIGNATURE:  SEE ATTACHED POWER OF ATTORNEY

BY WILLIAM C. COX, ATTORNEY IN FACT

MEASURE 37 CLAIM SUPPLEMENTAL INFORMATION

1. **OTHER PERSONS WITH AN INTEREST IN THE PROPERTY:** SEE ATTACHED MEASURE 37 LOT BOOK SERVICE DOCUMENTS:
2. **EXACT DATE THE CURRENT OWNER ACQUIRED THE PROPERTY?** SEPTEMBER 15, 1972

Resolution No. 07-3776
Attachment 4 to COO Report

3. **FAMILY HISTORY OF OWNERSHIP:** THE APPLICANT ACQUIRED THE PROPERTY IN 1972 NO PRIOR FAMILY OWNERSHIP.

4. **OFFENDING REGULATIONS:**

LAW OR RULE:	OAR 660-14-0040	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	IMPOSES DEVELOPMENT LIMITATIONS BASED UPON CLAIMED RESOURCE DESIGNATION
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	REDUCES RESIDENTIAL DENSITY ALLOWED ON SUBJECT PROPERTY
LAW OR RULE:	ALL STATE WIDE PLANNING GOALS AND ADMINISTRATIVE RULES, STATUTES, AND CODES ADOPTED AND/OR ENFORCEABLE SINCE ACQUISITION OF PROPERTY BY CLAIMANT	CLAIMANT HEREBY ASSERTS A CLAIM AGAINST EACH AND EVERY LAND USE REGULATION THAT RESTRICTS THE USE OF CLAIMANT'S PROPERTY AND HAS THE EFFECT OF REDUCING THE FAIR MARKET VALUE OF THE PROPERTY. THE LIST IS NOT INTENDED TO BE LIMITING OR OTHERWISE PRECLUDE CLAIMANT FROM SEEKING RELIEF FROM OTHER, NOT SPECIFICALLY IDENTIFIED, RESTRICTIVE REGULATIONS. CLAIMANT REQUESTS THAT THE COUNTY IDENTIFY OTHER REGULATIONS THAT RESTRICT THE DIVISION AND DEVELOPMENT OF CLAIMANT'S PROPERTY AS SOUGHT PURSUANT TO THIS CLAIM. IT IS NOT POSSIBLE TO KNOW AT THIS TIME WHETHER OR TO WHAT DEGREE ADDITIONAL REGULATIONS WILL BE ADOPTED THAT WILL RESTRICT THE DEVELOPMENT OF THE PROPERTY. CLAIMANT REQUESTS AND RESERVES THE RIGHT TO RESUBMIT TO THE COUNTY/BOARD OF COUNTY COMMISSIONERS FOR CONSIDERATION UNDER MEASURE 37 ANY LAND USE REGULATION THAT MAY, DURING THE DEVELOPMENT PROCESS, RESTRICT THE USE OF PROPERTY AND ACT TO REDUCE THE FAIR MARKET VALUE OF THE PROPERTY.
LAW OR RULE:	METRO CODE 3.07.1110	PROHIBITS CREATION OF LOTS WITH FEWER THAN 20 ACRES. REDUCES THE NUMBER OF HOMES ALLOWED ON SUBJECT PROPERTY.

5. **DATE OF EFFECT**

LAW OR RULE:	OAR 660-14-0040	OCTOBER, 2000
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	AFTER PURCHASE WHICH OCCURRED IN 1972 EXACT DATES UNKNOWN; AT DATE OF CLACKAMAS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	AFTER PURCHASE WHICH OCCURRED IN 1972; AT DATE OF CLACKAMS COUNTY COMPREHENSIVE PLAN ACKNOWLEDGEMENT AND UPDATE ACKNOWLEDGEMENTS
LAW OR RULE:	METRO CODE TITLE II, SECTION 3.07.1110	THE METRO COUNCIL ADOPTED THE REGULATION THAT GIVES RISE TO THIS CLAIM ON SEPTEMBER 10TH, 1998, BY ORDINANCE 98-772B. METRO COUNCIL APPLIED THE REGULATION TO A PORTION OF THE CLAIMANTS' PROPERTY FOLLOWING THAT DATE. EXACT DATE UNCERTAIN.

6. **AMOUNT OF PROPERTY VALUE REDUCTION**

FAIR MARKET VALUE REDUCTION AMOUNT	ALL STATE WIDE PLANNING GOALS AND	BASIS OF EVALUATION: AT THE TIME OF PURCHASE THE SUBJECT PROPERTY COULD HAVE BEEN
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APPROXIMATELY \$1,204,000.	ADMINISTRATIVE RULES, STATUTES AND LOCAL SPECIAL DISTRICT CODES ADOPTED AND ENFORCED BY THE GOVERNING AUTHORITIES SINCE PURCHASE OF PROPERTY BY CLAIMANT	DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPRABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.
LAW OR RULE:	OAR 660-14-0040	SEE ABOVE
LAW OR RULE:	GOAL 5 AND OAR 660-16-0000 TO 0020; 660-23-0000 TO 0250	SEE ABOVE
LAW OR RULE:	CLACKAMAS COUNTY ZONING CODE	SEE ABOVE
LAW OR RULE:	METRO CODE TITLE 11, SECTION 3.07.1110	SEE ABOVE

7. CLAIM: THIS IS THE FIRST CLAIM MADE FOR COMPENSATION UNDER THE TERMS OF BALLOT MEASURE 37. IT IS CLAIMANT'S DESIRED RESOLUTION THAT SHE BE ALLOWED TO DEVELOP THE PROPERTY AT THE DENSITY ALLOWED ON THE DATE OF ACQUISITION ON 9/15/72 WHEN THE PROPERTY CONTAINED NO ZONING OR OVERLAY DESIGNATIONS. THE DESIRED DENSITY SHOULD BE ALLOWED WITHOUT REGARD TO ANY RESTRICTIONS. IN THE ALTERNATIVE CLAIMANT REQUESTS THAT HE BE REIMBURSED THE ABOVE EXPRESSED \$1,204,000

8. BASIS OF LOSS ESTIMATE: AT THE TIME OF PURCHASE THE SUBJECT PROPERTY COULD HAVE BEEN DIVIDED INTO AS MANY LOTS AS THE SANITATION RULES WOULD HAVE ALLOWED. EARLY COUNTY ZONING PLACED ALLOWED LOT SIZES AT 1 ACRE. THUS UP TO 7.77 LOTS COULD HAVE BEEN ALLOWED. THE 7.77 ACRES' CURRENT VALUE AS ZONED RR-5 WITH 20 ACRE MINIMUM IS APPROXIMATELY \$350,000. ITS VALUE AS RESIDENTIAL PROPERTY WITH NO ZONE IS ESTIMATED TO BE \$1,554,000 (7.77 LOTS AT \$200,000 EACH). THE VALUE FIGURES WILL BE MORE PRECISELY SUPPORTED BY AN APPRAISAL IF THE STATE, METRO AND/OR COUNTY INTENDS TO PURCHASE THE PROPERTY. SEE ALSO PREVIOUSLY SUBMITTED AREA COMPRABLES IN PRIOR METRO TITLE 11, SECTION 3.07.1110 CLAIMS INCLUDING, BUT NOT LIMITED TO, THE HANKS AND MIRACLE CLAIMS.

9. ADDITIONAL MATERIALS REQUESTED:


A. REAL PROPERTY APPRAISAL: THE VALUES USED HEREIN ARE CONSISTENT WITH SALES OF RURAL VIEW ACREAGE PROPERTIES IN THE COUNTY. IT IS APPLICANT'S OPINION THAT AN APPRAISAL IS ONLY RELEVANT IF THE COUNTY AND/OR STATE DECIDE TO ENFORCE THE CURRENT USE RESTRICTIONS. A CURRENT APPRAISAL WILL BE SUBMITTED WHEN NOTIFIED THAT THE COUNTY WILL PURCHASE THE PROPERTY. AN APPRAISAL SUBMITTED BEFORE KNOWING OF COUNTY'S DECISION WOULD LIKELY BE OUT OF DATE UNDER THE MEASURE 37 PROCESSING OBLIGATION OF 180 DAYS.

B. A TITLE REPORT: SEE ATTACHED.

C. COPIES OF ANY LEASES OR COVENANTS. NONE

D. CLAIMS PROCESSING FEE. SUCH A FEE WILL BE SUBMITTED WHEN THE COUNTY PRESENTS APPLICANT WITH PROOF THAT A COUNTY HAS AUTHORITY TO DEMAND A PROCESSING FEES UNDER THE TERMS OF MEASURE 37.

RESPECTFULLY SUBMITTED,


WILLIAM C. COX
ATTORNEY FOR APPLICANT.

MEMORANDUM OF RESTRICTIONS IMPACTING SUBJECT PROPERTY

Claimants hereby assert a claim against each and every State of Oregon statute, administrative rule, statewide planning goal, and/or land use regulation that restricts the use of claimants' property and has the effect of reducing the fair market value of the property. In addition to the Goals, rules, and regulations identified on the submitted State Claim Form, restrictive regulations that reduce the fair market value of the subject property include but are not limited to:

Statewide Planning Goal 3 (Agricultural Lands), ORS Chapter 215, and OAR 660, Division 33. EFU (Exclusive Farm Use) zoning is based on Statewide Planning Goal 3 and OAR 660-015-0000(3), as well as required provisions applicable to land zoned EFU in ORS Chapters 197 & 215 (ORS 215.203 to .311, ORS 215.263 (limitations on land divisions), ORS 215.700 to .710 and 215.780 (80 acre minimum lot size), and ORS 215.283-.284 (limitations on new dwellings)) and OAR 660-033-0010 to 0160. These laws restrict the zoning, use, division, development, and sale of the subject property. Goal 3 became effective on January 25, 1975. The Goal requires that agricultural land, as the term was defined, be zoned EFU pursuant to the demands of ORS Chapter 215. OAR 660-015-0000(3). Subsequently, additional restrictions on lots size and dwelling standards were imposed. *See* ORS 215.780 (became effective in November 1993); OAR 660-033-0100(1) (80 acre minimum for creation of new lots in EFU zone); OAR 660-033-0090, 0120, 0130 (limitations on new dwellings), and 0135. OAR 660, Division 33 was adopted in 1992 to implement the requirements of Goal 3 and was subsequently amended in 1994, 1996, 1998, 2000, 2002, and 2004. *See* administrative rule history for OAR 660, Division 33 hereby incorporated by reference as if set forth in full. Because the property is located in the Willamette Valley and consists of high value soils, it cannot be divided to allow or developed with a non-farm dwelling. ORS 215.263 (establishes standards for the creation of new parcels for non-farm uses and dwellings); 215.283; 215.284; 215.296; 215.705; 215.780; *see also* OAR 660-033-0135 (effective March 1994) which impose additional residential development standards and interprets the statutory standard for a primary dwelling in an EFU zone under ORS 215.283(1)(f).

Statewide Planning Goal 4 (Forest Lands), OAR 660, Division 6, and laws applicable to land zoned for forest use under ORS 215 restrict the right of an owner to divide and develop the property for purposes of sale and residential and/or other uses. *See* ORS 215.705 to .755 (limitations on new dwellings) and 215.780 (80 acre minimum lot size); *see also* OAR 660-006-0015, 0025, 0026, 0027, 0029, 0050 and 0055. Goal 4 became effective on January 25, 1975 and the forest land administrative rule (OAR, Division 6) became effective on or about November 4, 1982. ORS 215.700 to .755 and 215.780 became effective on November 4, 1993 and were adopted into OAR 660-006-0026 (80 acre minimum lot size) and 0027 (limitations on new dwellings) in March 1994 to implement those statutes.

Goal 2 (exceptions), Goal 14 (urbanization) and implementing rules (OAR 660-004-0000 to 0040; OAR 660-014-0000 to 0040; and OAR 660-021-0000 to 0100) also restrict the use of claimant's property by requiring an exception to permit nonresource uses, "urban uses" and "urban development" on resource land. The Goals and rules also impose restrictions on land divisions for rural residential use. *See* OAR 660-004-0040 and 660-014-0040; 660-021-0000 to 0100. Goal 14 became effective on January 25, 1975. OAR 660, Division 4, Interpretation of

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Goal 2 exception process, Section 0040 became effective October 4, 2000. The Goals and rules, among other things, prohibit the landowner from dividing the property into small acreage lots without demonstrating compliance with exception to the Goals, including Goal 14, and other rule criteria. This includes additional restrictions on property in close proximity to an existing UGB and demonstrating that rural or resource property is committed to urban uses; criteria that is impossible to satisfy. See OAR 660-004-0000 to 0040 (minimum lots size of two acres; minimum lot size of 20 acres within one mile of UGB); and OAR 660-014-0000 to 0040.

Nonresource development on what is otherwise classified as resource land cannot occur in close proximity to an Urban Growth Boundary without addressing and demonstrating compliance with restrictive regulations and standards found in Goal 2, Goal 11, and Goal 14 (prohibits urban development on rural lands) as well as OAR 660-004-0000 to 0040 (Goal 2 exception implementing rules); OAR 660-014-0000 to 0040 (prohibiting new "urban development" on rural and resource lands without an exception pursuant to Goal 2 and justifying why the policies in Goals 3, 4, 11 and 14 should not apply); and OAR 660-021-0000 to 0100 (restricts development and land divisions outside urban growth boundaries, prohibits division of land to lots less than 10 acres in size, requires development clustering, and requires land to be reserved for eventual inclusion in an urban growth boundary and to be protected from patterns of development that would impede urbanization), among other related administrative rules and Oregon Revised Statutes. For example: LCDC rules and case law dictate that development on rural or resource parcels less than 10 acres in size constitutes quasi-urban or urban development for which a Goal 2 exception to Goals 3, 4, 11, and/or 14 is required. See OAR 660-014 et al. Goal 2's exception requirement is identical to the requirement in ORS 197.732, the statute governing goal exceptions. *City of West Linn v. Land Conservation & Dev. Comm'n*, 200 Or App 269 (2005). Those standards regulate the use of resource land; require exceptions to permit nonresource uses, "urban uses" and "urban development" on resource land; restrict the ability to divide resource land; and otherwise restrict residential development.

Together, ORS Chapter 215, OAR 660, Divisions 4, 6, 14, and 33, enacted or adopted pursuant to Goals 2, 3, 4 and 14, prohibit division and development on parcels less than 80 acres. Standards established for development of dwellings on existing or proposed parcels prohibit the use, development, and or division of the subject property.

The list is not intended to be limiting or otherwise preclude claimants from seeking relief from other, but not specifically identified, restrictive regulations. Claimants request that the State identify other regulations that restrict the division and development of claimants' property as sought pursuant to this claim.

The current regulations enacted, enforced, or imposed on the property by the State after the claimant acquired the subject property, including but not limited to zoning, minimum lot size standards and other land use regulations, permit no additional development on the property. These standards preclude land divisions and new residential development on any newly created lots. The restrictions caused by the current EFU resource classification and zoning reduce the value of the property compared to no classification and no zoning in effect when the property was acquired by the claimant.

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Furthermore, it is not possible to know at this time whether or to what degree additional regulations will restrict the development of the property. Claimants request and reserve the right to resubmit to the State of Oregon for reconsideration under Measure 37 a land use regulation that may, during the development process, restrict the use of property and the enforcement of which will reduce the fair market value of the property.

A handwritten signature in black ink, appearing to be 'WCB', is located below the text. The signature is stylized and somewhat illegible.

POWER OF ATTORNEY

KNOW ALL BY THESE PRESENTS, that I, **Velma Povey**, Trustee for the **Velma Pauline Povey Revocable Trust** have made, constituted and appointed and by these presents do make, constitute and appoint **William C. Cox** my true and lawful attorney in fact ("my attorney") for me and in my name, place and stead, and for my use and benefit:

To sign and negotiate all documents necessary to
process Measure 37 claims on my behalf.

I hereby give and grant unto my attorney full power and authority freely to do and perform every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes, as I might or could do if personally present, hereby ratifying and confirming all that my attorney shall lawfully do or cause to be done by virtue hereof.

In construing this power of attorney, the singular includes the plural, and all grammatical changes shall be implied to make the provisions hereof apply.

This power shall take effect on the date next written below.

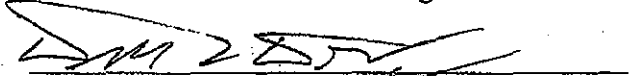
My attorney and all persons unto whom these presents shall come may assume that this power of attorney has not been revoked until given actual notice either of such revocation or of my death.

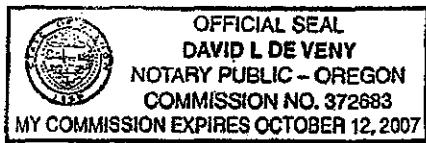
IN WITNESS WHEREOF I have signed this instrument on this 13th day of Nov., 2006.


Velma Povey

STATE OF OREGON)
) ss
County of Multnomah)

This instrument was acknowledged before me on this 13th day of Nov., 2006 by **Velma Povey**.


Notary Public for the State of Oregon
My commission expires Oct 12, 2007



Resolution No. 07-3776
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PLUM No. 704—CONTRACT—REAL ESTATE—Partial Payments (Individual or Corporate) (Truth-in-Lending Series)

59

THIS CONTRACT, Made this 15th day of September, 1972, between

Vernon W. De Young and Bertha De Young, hereinafter called the seller,
and Victor E. Povey and Velma Pauline Povey, husband and wife, hereinafter called the buyer,

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the seller agrees to sell unto the buyer and the buyer agrees to purchase from the seller all of the following described lands and premises situated in Clackamas County, State of Oregon, to-wit: Section 2, T. 2 S., R. 3 E. of W. E., consisting of approximately 15 acres in the Northern portion of Tax Lots 1400 and 1401.

Buyer agrees not to sub-divide the property for 5 years unless back Greenbelt taxes are paid by buyer, and buyer also agrees to pay back Greenbelt taxes if he does not apply for Greenbelt exemption within 60 days after closing.

In the event the buyer desires ~~to purchase~~, seller will grant to buyer an easement for a 60 foot strip of land for road purposes from Hoffmeister Road to the property, upon the payment by buyer of \$250.00 to seller. The 25 foot easement for ingress and egress already provided for Tax Lots 1200, 1400 and 1401 will thereupon be terminated and cancelled.

for the sum of ~~Twenty-six thousand four hundred and no/100~~ Dollars (\$26,400.00) (hereinafter called the purchase price) on account of which ~~two thousand and no/100~~ Dollars (\$2,000.00) is paid on the execution hereof (the receipt of which is hereby acknowledged by the seller), and the remainder to be paid to the order of the seller at the times and in amounts as follows, to-wit: The remainder of \$24,400.00 payable in quarterly installments of not less than \$600.00 to include principal, interest at 7% per annum. Buyer agrees to pay taxes when due and to furnish seller with a receipt of such payment. First quarterly payment due 90 days from date of this contract. Title Insurance not to be provided by the seller.

Recording of contract to be done by buyer.

Seller will deed to buyer one acre parcels of the above property, as selected by buyer, upon the payment by buyer of \$1,760.00 for each one acre parcel, such payments to be in addition to the down payment and quarterly installments provided for herein.

The buyer warrants to and covenants with the seller that the real property described in this contract is (A) primarily for buyer's personal, family, household or agricultural purposes, (B) for an organization or (even if buyer is a natural person) is for business or commercial purposes other than agricultural purposes.

All of said purchase price may be paid at any time; all deferred balances of said purchase price shall bear interest at the rate of ~~seven~~ per cent per annum from ~~Sept. 15, 1972~~ until paid, interest to be paid ~~quarterly~~ and ~~being included in the minimum regular payments above required. Taxes on said premises for the current tax year shall be prorated between the parties hereto as of the date of this contract.~~

The buyer shall be entitled to possession of said lands on ~~Sept. 15, 1972~~ and may retain such possession so long as he is not in default under the terms of this contract. The buyer agrees that he will keep the buildings on said premises, now or hereafter erected, in good condition and repair and will not suffer or permit any waste or strip thereof; that he will keep said premises free from mechanics' and all other liens and save the seller harmless therefrom and reimburse seller for all costs and attorney's fees incurred by him in defending against any such liens; that he will pay all taxes heretofore levied against said property, as well as all water rents, public charges and municipal liens which hereafter lawfully may be imposed upon said premises, all promptly before the same or any part thereof become past due; that at buyer's expense, he will insure and keep insured all buildings now or hereafter erected on said premises against loss or damage by fire (with extended coverage) in an amount not less than \$..... in a company or companies satisfactory to the seller, with loss payable first to the seller and then to the buyer at their respective interests and all policies of insurance to be delivered to the seller as soon as insured. Now if the buyer shall fail to pay any such taxes, costs, water rents, fees, or charges or to procure and pay for such insurance, the seller may do so and any payment so made shall be added to and become a part of the debt secured by this contract and shall bear interest at the rate aforesaid, without waiver, however, of any right existing to the seller for buyer's breach of contract.

The seller agrees that at his expense and within ~~30~~ days from the date hereof, he will furnish unto buyer a title insurance policy insuring (in an amount equal to said purchase price) marketable title in and to said premises in the seller or or subsequent to the date of this agreement, says and except the usual printed exceptions and the building and other restrictions and easements now of record, if any. Seller also agrees that when said purchase price is fully paid and upon request and upon surrender of this agreement, he will deliver a good and sufficient deed conveying said premises in fee simple unto the buyer, his heirs and assigns, free and clear of all encumbrances since said date placed, purged or arising by, through or under seller, however, the said easements and restrictions and the taxes, municipal liens, water rents and public charges to assumed by the buyer and further accepting all liens and encumbrances created by the buyer or his assigns.

And it is understood and agreed between said parties that time is of the essence of this contract, and in case the buyer shall fail to make the payments above required, or any of them, punctually within the time of the time limited hereof, or fail to keep any agreement herein contained, then the seller at his option shall have the following rights: (1) to declare this contract null and void, (2) to declare the whole unpaid principal balance of said purchase price with the interest thereon at once due and payable and/or (3) to foreclose this contract by suit in equity, and in any of such cases, all rights and interest created or then existing in favor of the buyer or against the seller hereunder shall utterly cease and determine and the right to the possession of the premises above described and all other rights acquired by the buyer hereunder shall revert to and revert to said seller without any act of re-entry, or any other act of said seller to be performed and without any right of the buyer of return, reclamation or compensation for moneys paid on account of the purchase of said property as absolutely, fully and perfectly, as if this contract and such payments had never been made; and in case of such default all payments hereunder made on this contract are to be retained by and belong to said seller as the agreed and reasonable rent of said premises up to the time of such default. And the seller, in case of such default, shall have the right immediately, or at any time thereafter, to enter upon the land aforesaid, without any process of law, and take immediate possession thereof, together with all the improvements and appurtenances thereon or thereon belonging.

The buyer further agrees that failure by the seller at any time to require performance by the buyer of any provision hereof shall in no way affect his right hereunder to enforce the same, nor shall any waiver by said seller of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$26,400.00. However, the actual consideration consists of or includes other property or value given or promised which is part of the consideration (indicate which).

In case suit or action is instituted to foreclose this contract or to enforce any of the provisions hereof, the buyer agrees to pay such sum as the court may adjudge reasonable as attorney's fees to be allowed plaintiff in said suit or action and if an appeal is taken from any judgment or decree of the trial court, the buyer further promises to pay such sum as the appellate court shall adjudge reasonable as plaintiff's attorney's fees on such appeal.

In construing this contract, it is understood that the seller or the buyer may be more than one person; that if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate; if either of the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal affixed hereto by its officers duly authorized thereunto by order of its board of directors.

Victor E. Povey *Bertha De Young*
Velma Pauline Povey

IMPORTANT NOTICE: Delete, by lining out, whichever phrase and whichever warranty (A) or (B) is not applicable. If warranty (A) is the seller is a creditor and the word is deleted in the following Act and Regulation 2, the seller MUST comply with the Act and Regulation by making required disclosures for this purpose, use Stevens-Ness Form No. 1308 or similar unless the contract will become a first lien to finance the purchase of a dwelling in which event use Stevens-Ness Form No. 1307 or similar.

NOTE: The sentence between the symbols (A) and (B) if not applicable, should be deleted; see Oregon Revised Statutes, Section 92.030. (Notarial acknowledgment on reverse).

Resolution No. 07-3776
Attachment 4 to COO Report

Boeing, Inc. 97009
2/6/73

RECEIVED PAYMENTS ON WITHIN CONTRACT. AS FOLLOWS:

DATE	INSURANCE OR TAXES	INTEREST	INTEREST PAID TO	PRINCIPAL	PRINCIPAL BALANCE	DATE	INSURANCE OR TAXES	INTEREST	INTEREST PAID TO	PRINCIPAL	PRINCIPAL BALANCE
12/15/71		427.00	12/15/71	178.00	24,227.00	3/1/81		78.64	3/15/81	521.41	3964.51
3/15/72		423.00	3/15/72	176.00	24,051.00	5/1/81		24.74	5/1/81	1954.24	1452.27
6/15/72		420.00	6/15/72	174.00	23,877.00	6/1/81		34.73	6/15/81	565.27	1419.00
9/15/72		417.00	9/15/72	172.00	23,705.00	7/1/81		24.84	9/15/81	575.76	844.24
12/15/72		414.00	12/15/72	170.00	23,535.00	8/1/81		14.77	12/15/81	585.29	259.95
3/15/73		411.00	3/15/73	168.00	23,367.00	9/1/81	213.41	4.87	3/15/82	595.31	30.64
6/15/73		408.00	6/15/73	166.00	23,201.00						
9/15/73		405.00	9/15/73	164.00	23,037.00						
12/15/73		402.00	12/15/73	162.00	22,875.00						
3/15/74		399.00	3/15/74	160.00	22,715.00						
6/15/74		396.00	6/15/74	158.00	22,557.00						
9/15/74		393.00	9/15/74	156.00	22,401.00						
12/15/74		390.00	12/15/74	154.00	22,247.00						
3/15/75		387.00	3/15/75	152.00	22,095.00						
6/15/75		384.00	6/15/75	150.00	21,945.00						
9/15/75		381.00	9/15/75	148.00	21,797.00						
12/15/75		378.00	12/15/75	146.00	21,651.00						
3/15/76		375.00	3/15/76	144.00	21,507.00						
6/15/76		372.00	6/15/76	142.00	21,365.00						
9/15/76		369.00	9/15/76	140.00	21,225.00						
12/15/76		366.00	12/15/76	138.00	21,087.00						
3/15/77		363.00	3/15/77	136.00	20,951.00						
6/15/77		360.00	6/15/77	134.00	20,817.00						
9/15/77		357.00	9/15/77	132.00	20,685.00						
12/15/77		354.00	12/15/77	130.00	20,555.00						
3/15/78		351.00	3/15/78	128.00	20,427.00						
6/15/78		348.00	6/15/78	126.00	20,301.00						
9/15/78		345.00	9/15/78	124.00	20,177.00						
12/15/78		342.00	12/15/78	122.00	20,055.00						
3/15/79		339.00	3/15/79	120.00	19,935.00						
6/15/79		336.00	6/15/79	118.00	19,817.00						
9/15/79		333.00	9/15/79	116.00	19,701.00						
12/15/79		330.00	12/15/79	114.00	19,587.00						
3/15/80		327.00	3/15/80	112.00	19,475.00						
6/15/80		324.00	6/15/80	110.00	19,365.00						
9/15/80		321.00	9/15/80	108.00	19,257.00						
12/15/80		318.00	12/15/80	106.00	19,151.00						
3/15/81		315.00	3/15/81	104.00	19,047.00						

CONTRACT
(FORM No. 704)
STEVENS-HESS LAW PUB. CO., ESTABLISHED 1916

BETWEEN _____ AND _____

Address: _____

STATE OF OREGON, County of Clatsop, ss. I, George D. Poppen, County Clerk, Ex-Officio Recorder of Conveyances and Ex-Officio Clerk of the Circuit Court of the State of Oregon, for the County of Clatsop, do hereby certify that the within instrument of writing was received for and recorded in the records of _____

1972 SEP 26 PM 3:34 County at

In Book _____ On Page _____

Witness my hand and seal affixed:
GEORGE D. POPPEN
County Clerk

Deputy

Recording Certificate

AFTER RECORDING RETURN TO

Victor Poppen
1944 NE 162nd
BO 97230

STATE OF OREGON, County of Clatsop, ss. Sept 17, 1973

Personally appeared the above named _____ who, being duly sworn, each for himself and not one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____

_____ and acknowledged the foregoing instrument to be _____ voluntary act and deed.

Before me:
(OFFICIAL SEAL) _____
Notary Public for Oregon, 0217, 1973
My commission expires: _____

STATE OF OREGON, County of _____, ss. _____, 19____

Personally appeared _____ and _____ who, being duly sworn, each for himself and not one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____

_____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:
Notary Public for Oregon
(OFFICIAL SEAL)
My commission expires: _____

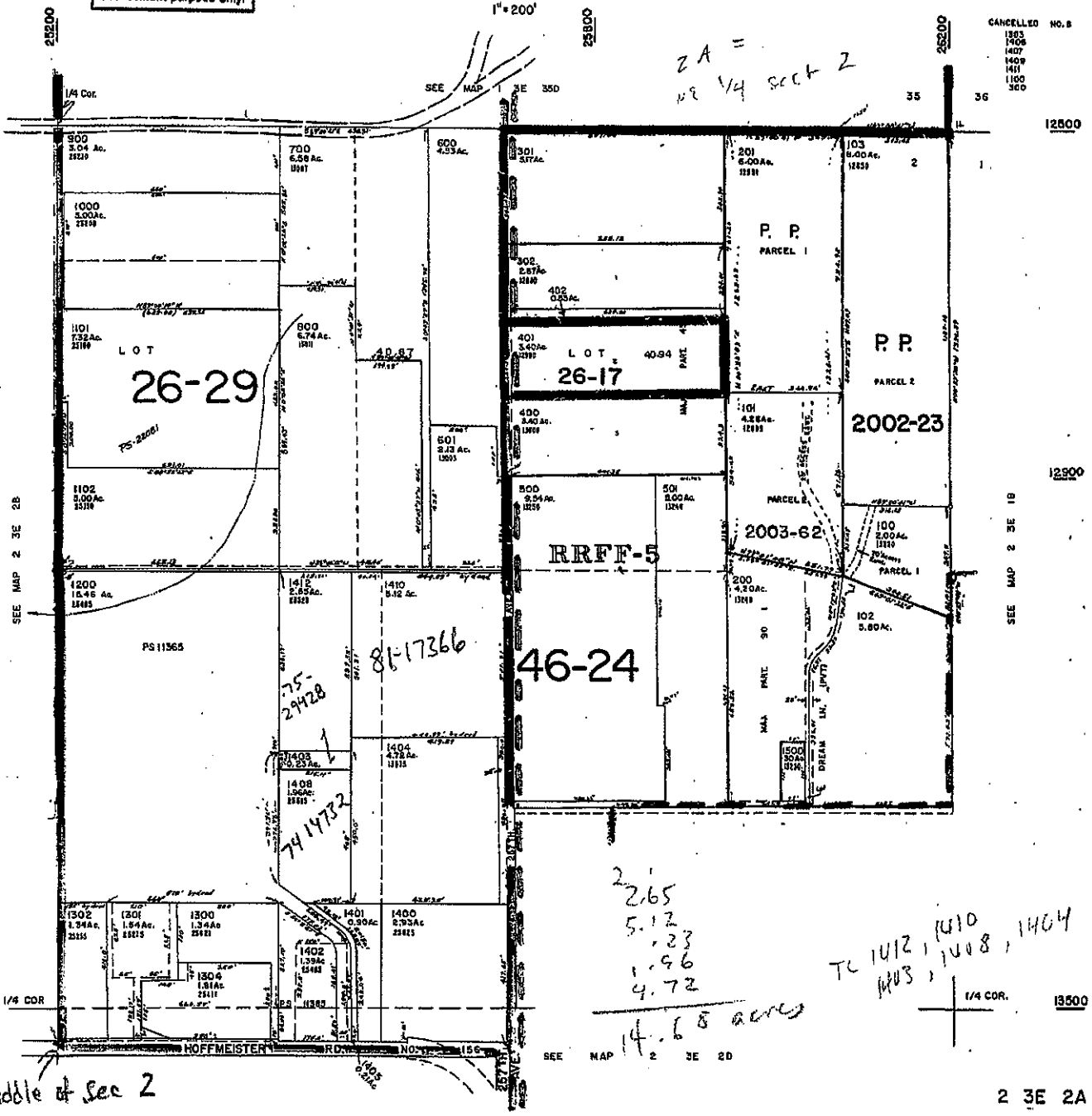
9

This map was prepared for assessment purposes only

NE 1/4 SECTION 2 T2S. R3E. W.M. CLACKAMAS COUNTY 1" = 200'

2 3E 2A


CANCELLED NO. 8
1393
1406
1407
1409
1411
1460
1500



Middle of Sec 2

Resolution No. 07-3776
Attachment 4 to COO Report


2 3E 2A
BOOK 20

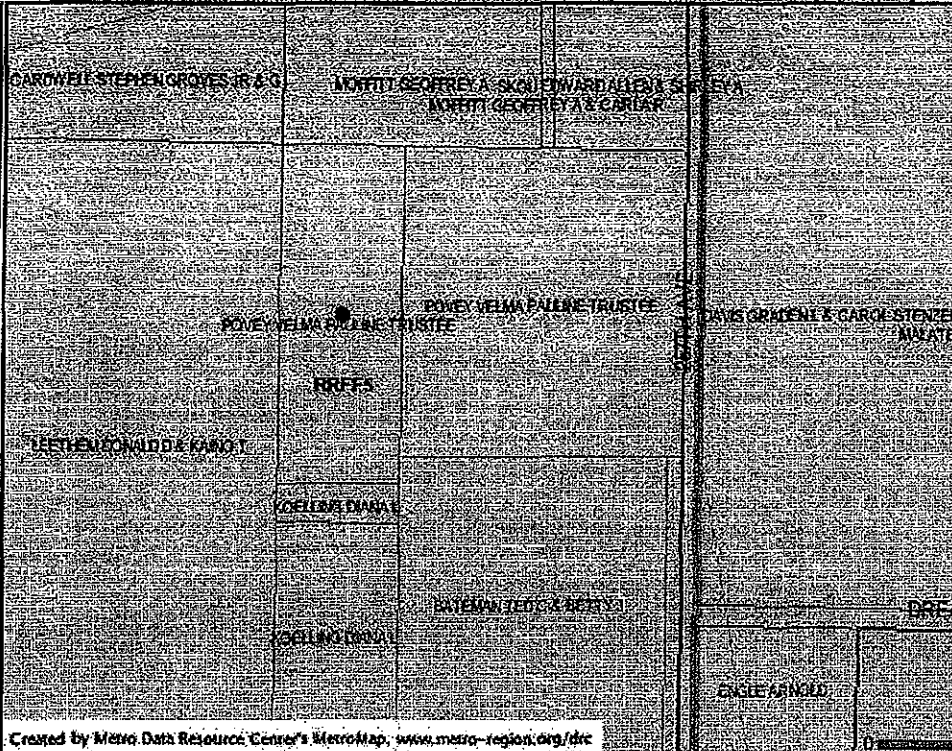


Enter an owner | [tips](#) OR Enter an address | [tips](#) OR Enter an intersection | [tips](#)

Street 1 Street 2

MAP IT More Info





Layers

Refresh Map

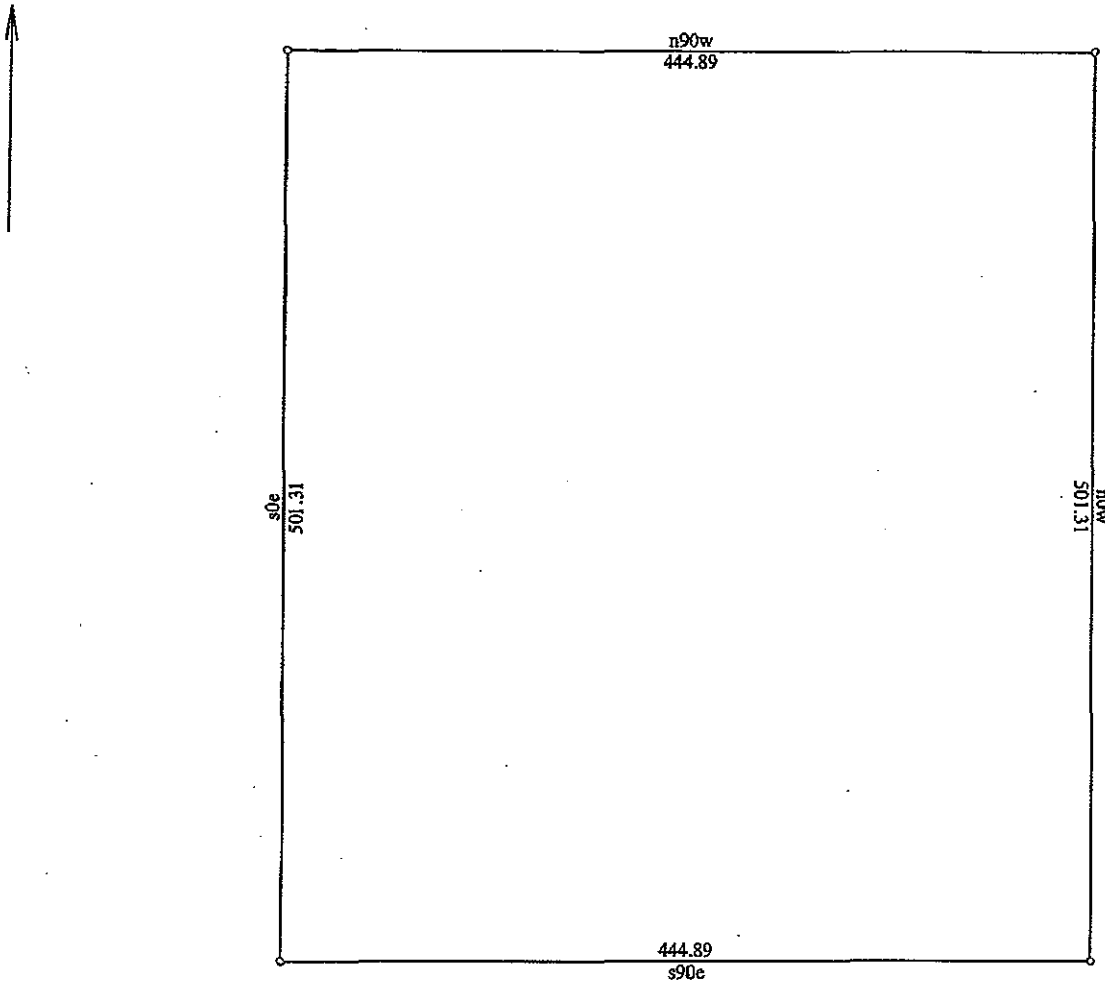
Visible Active

- Places
- Bus stops
- Bus lines
- Bike routes
- Freeways
- Streets
- Taxlots
- Park and ride
- Transit centers
- Streams
- Contours
- Watersheds
- Metro boundary
- Urban Growth Boundary
- Stream shading
- 100 year flood plain
- Undeveloped land
- Portland environment zones
- Parks
- Slope
- Wetlands
- 2005 aerial photo
- 2005 rural photo
- Land use

Created by Metro Data Resource Center's MetroMap, www.metro-region.org/drc

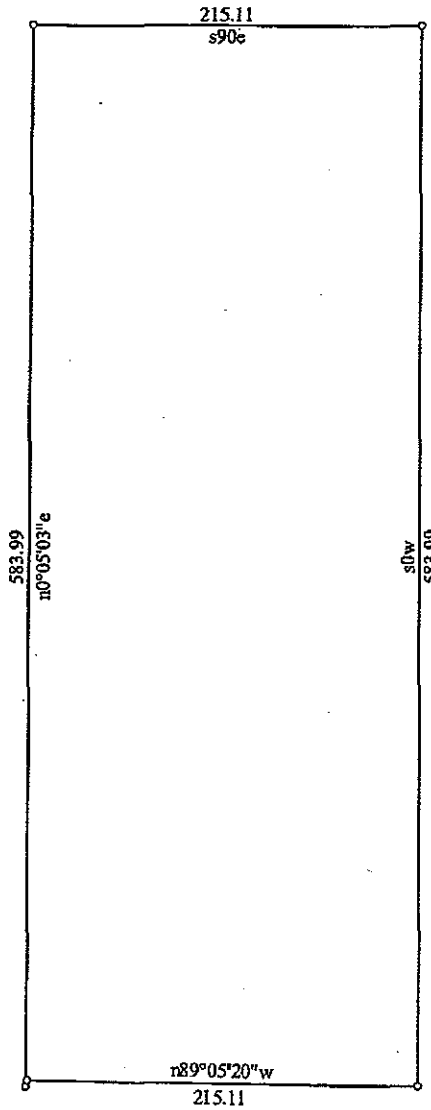
Taxlots				
Rec	TaxlotID	RNO	Owner1	Ow
1	23E02A 01410	601637	POVEY VELMA PAULINE TRUSTEE	

Resolution No. 07-3776
 Attachment 4 to COO Report



Title: Povey (M37) 81-17366		Date: 01-03-2007
Scale: 1 inch = 100 feet	File: Povey2.des	
Tract 1: 5.120 Acres: 223028 Sq Feet: Closure = n00.0000e 0.00 Feet: Precision >1/999999: Perimeter = 1892 Feet		
001=s0e 501.31	003=n0w 501.31	
002=s90e 444.89	004=n90w 444.89	

Resolution No. 07-3776
Attachment 4 to COO Report



Title: Povey (M37) 75-29428 deed legal descr.		Date: 01-03-2007
Scale: 1 inch = 100 feet	File: Povey1.des	
Tract 1: 2.884 Acres: 125615 Sq Feet: Closure = s14.3036w 3.53 Feet: Precision = 1/452: Perimeter = 1598 Feet		
001=n0.0503e 583.99	003=s0w 583.99	
002=s90e 215.11	004=n89.0520w 215.11	

Resolution No. 07-3776
Attachment 4 to COO Report

FORM No. 635—WARRANTY DEED (Individual or Corporate)

STEVENS LAW PUBLISHING CO., PORTLAND, OREGON

1-1-74

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That VEPRON E. DeYOURS and BERTHA DeYOURS

hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by VICTOR E. POWEL and VERA PAULINE POWEL, husband and wife, as tenants by the entirety, hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the said grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereto belonging or appertaining, situated in the County of Clackamas and State of Oregon, described as follows, to-wit:

A tract of land situated in the east one-half of Section 2, Township 2 South, Range 3 East of the Willamette Meridian in the County of Clackamas and State of Oregon, more particularly described as follows:

Commencing at the center of said Section 2; thence S.89°05'20"E. along the east-west centerline of said Section 2, a distance of 666.57 feet to the southwest corner of the East one-half of the Southwest one-quarter of the Northeast one-quarter of said Section 2; thence N.0°05'03"E. along the west line of said legal subdivision, a distance of 327.10 feet to the point of beginning of the tract herein to be described; thence continuing N.0°05'03"E. along the west line of said legal subdivision, a distance of 405.00 feet to a point; thence S.89°05'20"E. parallel with the south line of said legal subdivision, a distance of 215.11 feet to a point; thence S.0°05'03"W. parallel with the west line of said legal subdivision, a distance of 405.00 feet to a point; thence N.89°05'20"W. parallel with the south line of said legal subdivision, a distance of 215.11 feet to the point of beginning. Containing an area of 2.00 acres.

TOGETHER WITH a 60.00 foot easement for the purposes of ingress and egress and utility purposes being 30.00 feet on each side of the following described centerline:

Beginning at a point on the south line of the above described tract which bears S.89°05'20"E. along said south line, a distance of 53.36 feet from the southwest corner thereof; thence S.54°08'57"E. a distance of 135.69 feet to a point of tangency curve; thence Southeasterly on the arc of a 100.00 foot radius curve to the right, through a central angle of 54°14'00", an arc distance of 94.66 feet (the chord bears S.27°01'57"E. 91.15 feet) to a point of tangency and a point that lies 205.00 feet east of the west line of the east one-half of the Southwest one-quarter of the Northeast one-quarter of said Section 2; thence S.0°05'03"W. parallel with said west line, a distance of 168.85 feet to an angle point and a point in the south line of said legal subdivision; thence S.0°38'13"W. parallel with the west line of the east one-half of the Northwest one-quarter of the Southeast one-quarter of said Section 2, a distance of 81.18 feet to the north line of Bohna Park road, County road No. 156 and the terminus of said easement.

SUBJECT TO an easement for ingress, egress and utility purposes, more particularly described as follows:

Beginning at the southwest corner of the above described tract; thence S.89°05'20"E. along the south line thereof, a distance of 105.76 feet to a point; thence N.54°08'57"W. a distance of 130.31 feet to a point in the west line of the above described tract; thence S.0°05'03"W. along said west line, a distance of 74.65 feet to the point of beginning.

74 14732

TL 1408
how 196 acc

Recorded by
Foster National
Title Insurance Company

\$ 315
9

Resolution No. 07-3776
Attachment 4 to COO Report

IN WITNESS WHEREOF, CONTINUE DESCRIPTION ON REVERSE SIDE
To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.
And said grantor hereby covenants to and with said grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances

No exceptions

and that grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described occurrences.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$3,520.00
However, the actual consideration consists of or includes other property or value given or promised which is described in the consideration (instruments to which). (The sentence between the symbol @, if not applicable, should be deleted. See ORS 91.010.)

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

In Witness Whereof, the grantor has executed this instrument this 20th day of May, 1974
if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

Victor E. and Valma P. Povey
Bartha DeYoung

(If covered by a corporate seal, attach corporate seal)

STATE OF OREGON,
County of Clatsop
May 20, 1974

STATE OF OREGON, County of _____
Personally appeared _____ and _____ who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of _____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and each of these acknowledged said instrument to be its voluntary act and deed.

Personally appeared the above named _____ and _____ and acknowledged the foregoing instrument as their voluntary act and deed.

Before me: _____ Notary Public for Oregon
My commission expires: _____

Victor E. and Valma P. Povey
Notary Public for Oregon
My commission expires Aug. 12, 1975

Victor E. and Bartha DeYoung
25625 S. E. Hoffmeister Road
Boring, Oregon 97009
GRANTOR'S NAME AND ADDRESS

Victor E. and Valma P. Povey
10th N. E. 162nd
Portland, Oregon 97230
GRANTOR'S NAME AND ADDRESS

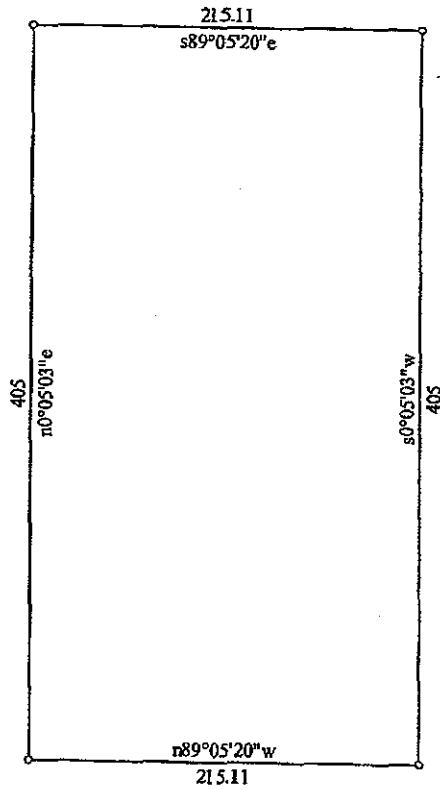
Also appearing herein for
Victor E. and Valma P. Povey
10th N. E. 162nd
Portland, Oregon 97230
NAME, ADDRESS, ETC.

Call to check or request all fee statements shall be sent to the following address:
Victor E. and Valma P. Povey
10th N. E. 162nd
Portland, Oregon 97230
NAME, ADDRESS, ETC.

STATE OF OREGON, County of Clatsop, Oregon
I, George D. Ferguson, County Clerk, Esq., Clerk of the Circuit Court of the County of Clatsop, Oregon, do hereby certify that the foregoing instrument was duly signed and sealed in accordance with the laws of said county on this 20th day of May, 1974.
1974 JUN 5 PM 12 08
DEED
CLERK OF COUNTY CLERK OF CLATSOP COUNTY, OREGON
14732

2

Resolution No. 07-3776
Attachment 4 to COO Report



Title: Povey (M37) 74-14732 legal descr.		Date: 01-03-2007
Scale: 1 inch = 100 feet	File:	
Tract 1: 2,000 Acres: 87110 Sq Feet: Closure = n00.0000e 0.00 Feet: Precision >1/999999: Perimeter = 1240 Feet		
001=n0.0503e 405	003=s0.0503w 405	
002=s89.0520e 215.11	004=n89.0520w 215.11	

*TL 1418
(Sold by Povey)*

Resolution No. 07-3776
Attachment 4 to COO Report



First American

First American Title Insurance Company of Oregon
222 SW Columbia Street, Suite 400
Portland, OR 97201
Phn - (503)222-3651 (800)929-3651
Fax - (503)790-7858

MULTNOMAH COUNTY TITLE UNIT
FAX (503)790-7858

Title Officer: **Mike Brusco**
(503)222-3651

MEASURE 37 LOT BOOK SERVICE

Bill Cox
0244 SW California Street
Portland, OR 97219

Order No.: 7019-938411
November 21, 2006

Attn:
Phone No.: (503)246-5499 - Fax No.: (503)244-8750
Email: wccox@landuseattorney.com

Re:

Fee: \$500.00

We have searched our Tract Indices as to the following described property:

The land referred to in this report is described in Exhibit A attached hereto.

and as of November 08, 2006 at 8:00 a.m.

We find that the last deed of record runs to

Velma Pauline Povey, trustee, or her successor, under that certain Trust dated 01-30-92 between Velma Pauline Povey and Victor Eugene Povey as trustors, and Velma Pauline Povey, as trustee.

We also find the following apparent encumbrances within ten (10) years prior to the effective date hereof:

1. City liens, if any, of the City of Damascus.

Note: There are no liens as of November 08, 2006. All outstanding utility and user fees are not liens and therefore are excluded from coverage.

2. The rights of the public in and to that portion of the premises herein described lying within the limits of streets, roads and highways.

Resolution No. 07-3776
Attachment 4 to COO Report

Lot Book Service

Guarantee No.: 7019-938411
Page 2 of 5

3. Easement, including terms and provisions contained therein:
Recording Information: December 26, 1985 as Fee No. 85-45601
In Favor of: R.C. Yule and Ella Yule, husband and wife
For: Automobile driveway
Affects: Parcel I

4. Unrecorded leases or periodic tenancies, if any.

NOTE: This report does not include a search for Financing Statements filed in the Office of the Secretary of State, or in a county other than the county wherein the premises are situated, and no liability is assumed if a Financing Statement is filed in the Office of the County Clerk covering crops on the premises wherein the lands are described other than by metes and bounds or under the rectangular survey system or by recorded lot and block.

We have also searched our General Index for Judgments and State and Federal Liens against the Grantee(s) named above and find:

NONE

We also find the following unpaid taxes and city liens:

1. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.

2. Taxes for the year 2006-2007
Tax Amount \$ 130.29
Unpaid Balance: \$ 130.29, plus interest and penalties, if any
Code No.: 026-029
Map & Tax Lot No.: 23E02A 01410
Property ID No.: 00601637
Affects: Parcel I

3. Taxes for the year 2006-2007
Tax Amount \$ 1,094.18
Unpaid Balance: \$ 1,094.18, plus interest and penalties, if any.
Code No.: 026-029
Map & Tax Lot No.: 23E02A 01412
Property ID No.: 01509656
Affects: Parcel II

In our search for recorded deeds to determine the vestee herein we find the following:

Title of Conveyance:	Quitclaim Deed
Recorded:	December 14, 1948
As:	Book 414, Page 701

First American Title

Resolution No. 07-3776
Attachment 4 to COO Report

Lot Book Service

Guarantee No. 7019 0141...

Grantor: Fred Anderson and Nettie Bohna Anderson, his wife
Grantee: J.A. Fenton and A.M. Silverman

Title of Conveyance: Warranty Deed
Recorded: December 14, 1948
As: Book 414, Page 703
Grantor: J.A. Fenton and Grace J. Fenton and A.M. Silverman and A.M. Silverman
Grantee: Vernon W. De Young and Bertha De Young, husband and wife

Title of Conveyance: Warranty Deed
Recorded: October 09, 1975
As: 75-29428
Grantor: Vernon W. De Young and Bertha De Young
Grantee: Victor E. Povey and Velma Pauline Povey, husband and wife, tenants by the entirety
Affects: Parcel II

Title of Conveyance: Bargain and Sale Deed
Recorded: May 19, 1981
As: 81-17366
Grantor: Vernon W. De Young and Bertha De Young
Grantee: Victor E. Povey and Velma Pauline Povey, husband and wife
Affects: Parcel I

Title of Conveyance: Bargain and Sale Deed
Recorded: March 16, 1992
As: 92-14835
Grantor: Victor E. Povey and Velma P. Povey, husband and wife
Grantee: Velma Pauline Povey, trustee, or her successor, under the certain Trust dated January 30, 1992, between Velma Pauline Povey and Victor Eugene Povey as trustors, and Velma Pauline Povey, as trustee
Affects: Parcel I

Resolution No. 07-3776
Attachment 4 to COO Report

Lot Book Service

Guarantee No.: 7019-938411
Page 4 of 5

Title of Conveyance: Bargain and Sale Deed
Recorded: March 16, 1992
As: 92-14836
Grantor: Victor E. and Velma P. Povey, husband and wife
Grantee: Velma Pauline Povey, trustee, or her successor, under that certain Trust dated January 30, 1992, between Velma Pauline Povey and Victor Eugene Povey, as trustee, and Velma Pauline Povey, as trustee
Affects: Parcel II

THIS IS NOT a title report since no examination has been made of the title to the above described property. Our search for apparent encumbrances was limited to our Tract Indices, and therefore above listing do to include additional matters which might have been disclosed by an examination of the record title. We assume no liability in connection wit this Measure 37 Lot Book Service and will not be responsible for errors or omissions therein. The charge for this service will not include supplemental reports, rechecks or other services.

Resolution No. 07-3776
Attachment 4 to COO Report

Lot Book Service

Guarantee No.: 7019-938411
Page 5 of 5

Exhibit "A"

Real property in the County of Clackamas, State of Oregon, described as follows:

PARCEL I:

A TRACT OF LAND SITUATED IN THE EAST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 2, TOWNSHIP 2 SOUTH, RANGE 3 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF CLACKAMAS AND STATE OF OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER OF SAID SECTION 2; THENCE EASTERLY, ALONG THE EAST-WEST CENTERLINE THEREOF, A DISTANCE OF 666.57 FEET TO THE SOUTHWEST CORNER OF SAID LEGAL SUBDIVISION THENCE NORTHERLY, ALONG THE WEST LINE THEREOF, A DISTANCE OF 1316.09 FEET TO THE NORTHWEST CORNER OF SAID LEGAL SUBDIVISION; THENCE EASTERLY, ALONG THE NORTH LINE THEREOF, A DISTANCE OF 215.11 FEET TO THE POINT OF BEGINNING OF THE TRACT OF LAND HEREIN TO BE DESCRIBED; THENCE SOUTHERLY PARALLEL WITH THE WEST LINE OF SAID LEGAL SUBDIVISION, A DISTANCE OF 501.31 FEET TO A POINT; THENCE EASTERLY, PARALLEL WITH THE SOUTH LINE OF SAID LEGAL SUBDIVISION, A DISTANCE OF LONG SAID EAST LIEN, A DISTANCE OF 501.31 FEET TO THE NORTHEAST CORNER OF SAID LEGAL DESCRIPTION; THENCE WESTERLY, ALONG THE NORTH THEREOF DISTANCE OF 444.89 FEET TO THE POINT OF OF BEGINNING.

PARCEL II:

A PARCEL OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 2, TOWNSHIP 2 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN, CLACKAMAS COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

COMMENCING AT THE CENTER OF SAID SECTION 2; THENCE SOUTH 89° 05' 39" EAST ALONG THE EAST-WEST CENTERLINE OF SAID SECTION 2, A DISTANCE OF 666.65 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 2; THENCE NORTH 00° 04' 27" EAST ALONG THE WEST, LINE OF SAID LEGAL SUBDIVISION A DISTANCE OF 776.73 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 00° 04' 27" EAST ALONG SAID WEST LINE OF SAID LEGAL SUBDIVISION 538.17 FEET TO A POINT THAT IS 8.00 FEET SOUTH OF THE NORTHWEST CORNER OF THE EAST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER; THENCE SOUTH 88° 58' 24" EAST AND PARALLEL WITH THE NORTH LINE OF THE EAST ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER 214.11 FEET; THENCE SOUTH 00° 04' 27" WEST A DISTANCE OF 537.55 FEET; THENCE NORTH 89° 05' 19" WEST A DISTANCE OF 215.00 FEET TO THE TRUE POINT OF BEGINNING.

Tax Parcel Number: 00601637 and 01509656

FORM 50 - QUITCLAIM

411 711

KNOW ALL MEN BY THESE PRESENTS, That

FRANK B. BROWN, his wife

in consideration of \$50,000 and no/100 Dollars.

to them paid by A. S. Silverman

do hereby remise, release and forever QUITCLAIM unto the said

A. S. Silverman and unto heirs and assigns

all their right, title and interest in and to the following described parcel of real estate, together

with the tenements, hereditaments and appurtenances, situate in

Clatsop County, State of Oregon, to-wit:

Part of the east half of the north half of section 2, T. 2. S., R. 2. E., of S. 1, Township 2 North, Range 2 East, County of Clatsop, State of Oregon, beginning at a point in the east line of section 2, in T. 2. S., R. 2. E., of S. 1, Township 2 North, Range 2 East, County of Clatsop, State of Oregon, with 1312.00 feet thence west 330.00 feet to the place of beginning, no other description.

Also, the east half of the north half of section 2, T. 2. S., R. 2. E., of S. 1, Township 2 North, Range 2 East, County of Clatsop, State of Oregon, and to the southeast corner of the above described land, thence with the north line of section 2, in T. 2. S., R. 2. E., of S. 1, Township 2 North, Range 2 East, County of Clatsop, State of Oregon, to the center of the county road to the north side of said land; thence north 7 rods to the point of beginning.

Also, all our right, title and interest in and to the above described land, together with the tenements, hereditaments and appurtenances, or any part thereof.

TO HAVE AND TO HOLD the same to the said A. S. Silverman

and to his heirs and assigns forever.

IN WITNESS WHEREOF, we have hereunto set our hand and seal this

day of December A. D. 1908

Executed in the presence of

Nathaniel John Anderson (SEAL)

Frank Anderson (SEAL)

(SEAL)

(SEAL)

Resolution No. 07-3776
Attachment 4 to COO Report

414 702

STATE OF OREGON,

County of Multnomah

BE IT REMEMBERED, That on this 5th day of December, A. D. 1914

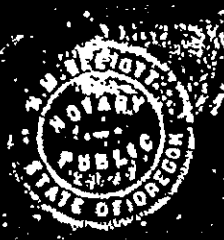
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named

FRED ANDERSON and ESTER BOGMA ANDERSON who are known to me to be the identical individual as described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

Notary Public for Oregon.

My Commission expires



17151
Quitclaim Deed

FRED ANDERSON, et ux

TO

J. A. FANTON, and

STATE OF OREGON,
County of Multnomah.

I, Guy H. Pace, County Clerk, Es-Officio, Recorder of Conveyances and Es-Officio Clerk of the Circuit Court of Multnomah County, Oregon, do hereby certify that the within instrument was duly recorded for



In Book 414 On Page 702

Witness my hand and official seal this 14th day of December, 1914.

Recording Certificate.

G. H. Pace
95

Resolution No. 07-3776
Attachment 4 to COO Report

FORM NO. 414 WARRANTS GRANT TENANTS BY THE ENTIRETY

CREATED BY THE CLERK OF THE SUPREME COURT

YEAR 114 DAY 703

KNOW ALL MEN BY THESE PRESENTS, That

in consideration of

do hereby grant, buy, sell and convey unto the said grantees, as tenants by the entirety and not as tenants in community property, their heirs and assigns, all the following real property, with the covenants, conditions and appurtenances attached to the County of _____ and State of Oregon, for the purposes described as follows, to wit:



To Have and to Hold the above described and granted premises unto the said grantees, their heirs and assigns forever, as above stated.

And the grantor do covenant that _____ lawfully seized in fee simple of the above granted premises free from all incumbrances.

and that _____ will and lawfully shall warrant and forever defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands of all persons whomsoever.

Witness my hand and seal this _____ day of _____
A.M. Silverman (SEAL)
Thomas G. Silverman (SEAL)
 STATE OF OREGON

County of _____
 BE IT REMEMBERED, That on this _____ day of _____
 before me, the undersigned a _____
 County and State, personally appeared the within named _____

to be the identical individual _____ described in and who executed the within instrument, and I acknowledge _____ executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and date last above written.

Opal L. Howk
 Notary Public for Oregon

My Commission Expires _____ MY COMMISSION EXPIRES OCT. 3, 1952

STATE OF OREGON
 County of _____

BE IT REMEMBERED, That on this _____ day of _____ A.D. 19____
 before me, _____ in and for said County and State, personally appeared _____
 and _____ known to me to be the identical individual _____ described in and who executed the within instrument, and I acknowledge _____ executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and date last above written.

Opal L. Howk
 Notary Public for Oregon

My Commission Expires _____

REC'D DEC 11 1946 4134P COUNTY CLERK

411-703

KNOW ALL MEN BY THESE PRESENTS, That J. A. Fenton, her attorney in fact, for and in behalf of said grantor, in full consideration of one and no/100 Dollars

do hereby grant, bargain, sell and convey unto the said grantees, as tenants by the entirety and not as tenants in community property, their heirs and assigns, all the following real property, with the accretions, hereditaments and appurtenances, situated in the County of Washington and State of Oregon, bounded and described as follows, to-wit:

That of the lot of 1.612 square feet, more or less, situated in the south half of Section 4, T. 23 S., R. 3 E., of W.M. and containing the east half of the south half of the northern quarter of the north half of the above described land, thence west 270.00 feet, thence north 131.200 feet to the place beginning, containing 0.66 acres, more or less.

Also, the east half of the northern quarter of the north half of the above described land, thence north 131.200 feet to the place beginning, containing 0.66 acres, more or less.

TO HAVE AND TO HOLD the above described and granted premises unto the said grantees, their heirs and assigns forever, as above stated.

And the grantor, her heirs, executors and administrators, shall warrant and forever defend the above granted premises, and every part and parcel thereof, against the lawful claims and demands of all persons whomsoever.

Witness my hand and seal this 2nd day of December, 1946.

A.M. Silverman (SEAL)
James A. Silverman (SEAL)
 STATE OF OREGON

County of Washington
 BE IT REMEMBERED, That on this 2nd day of December, 1946, before me, the undersigned, a Notary Public for Oregon, in and for said County and State, personally appeared the within named James A. Silverman, his wife, who are to be the identical individual 2 described in and who executed the within instrument, and acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last above written.

Opal L. Howk
 Notary Public for Oregon.
 My Commission Expires MY COMMISSION EXPIRES OCT. 9 1948

STATE OF OREGON
 County of Washington

BE IT REMEMBERED, That on this 2nd day of December, 1946, before me, the undersigned, a Notary Public for Oregon, in and for said County and State, personally appeared the within named J. A. Fenton, by J. A. Fenton, her attorney in fact, who is known to me to be the identical individual described in and who executed the within instrument, and acknowledged to me that he executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year last above written.

Opal L. Howk
 Notary Public for Oregon.
 My Commission Expires _____

RECORDED
 DEC 23 1946 4:34 P.M.
 COUNTY CLERK

Resolution No. 07-3776
Attachment 4 to COO Report

133-705 III

FORM No. 612 - WARRANTY DEED (Revised 1-1-77)

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That **VERNON W. DeYOUNG and BERTHA DeYOUNG** hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by **VICTOR E. POVEY and VELMA PAULINE POVEY, husband and wife,** as tenants by the entirety, hereinafter called the grantees, does hereby grant, bargain, sell and convey unto the said grantees and grantees's heirs, successors and assigns, that certain real property, with the ornaments, hereditaments and appurtenances therunto belonging or appertaining, situated in the County of Clackamas and State of Oregon, described as follows, to-wit:

A tract of land situated in the east one-half of Section 2, T. 2 S., R. 3 E., of the W. M., more particularly described as follows:

Commencing at the center of said Section 2; thence South 89° 05' 20" East along the East-West centerline of said Section 2, a distance of 666.57 feet to the southwest corner of the east one-half of the southwest one-quarter of the northeast one-quarter of said Section 2; thence North 0° 05' 03" East along the west line of said legal subdivision, a distance of 327.10 feet; thence continuing North 0° 05' 03" East along the west line of said legal subdivision a distance of 405.00 feet to the true place of beginning of the tract to be described; thence continuing North 0° 05' 03" East along said West line of said legal subdivision, 583.99 feet to the northwest corner of the East one-half of the southwest one-quarter of the northeast one-quarter; thence East along the North line of the said East one-half of the southwest one-quarter of northeast one-quarter, 215.11 feet; thence South parallel with the said West line, 583.99 feet to the northeast corner of the first described tract in Warranty Deed to Victor E. Povey and Velma Pauline Povey, husband and wife, recorded June 3, 1974, Fee No. 74 14732; thence North 89° 05' 20" West parallel with the south line of said legal subdivision, 215.11 feet to the true point of beginning.

75 29-128

Insured by
Pioneer National
Title Insurance Company

7LH12 &
1403

51

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)
To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.
And said grantor hereby covenants to and with said grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances

No exceptions

and that grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whatsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 5,068.80
The true and actual consideration consists of or includes other property or value given or promised which is the whole or part of the consideration (The language between the symbols @, if not applicable, should be deleted. See ORS 91.070.)
In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.

In Witness Whereof, the grantor has executed this instrument this 30th day of September, 1975.
If a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

Raymond W. DeYoung
Bertha DeYoung

(If executed by a corporation, fill in appropriate box)

STATE OF OREGON,
County of Clackamas }
September 30, 1975

STATE OF OREGON, County of _____)
Personally appeared _____ and _____, who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of _____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors and each of them acknowledged said instrument to be its voluntary act and deed.

Personally appeared the above named
Vernon W. DeYoung and
Bertha DeYoung

and acknowledged the foregoing instrument to be _____ voluntary act and deed.

Before me, *Louis W. DeYoung*
(OFFICIAL SEAL)
Notary Public for Oregon
My commission expires _____

Before me:
(OFFICIAL SEAL)
Notary Public for Oregon
My commission expires _____

Vernon W. and Bertha DeYoung
25625 S. E. Hoffmeister Road
Boring, Oregon 97009
GRANTOR'S NAME AND ADDRESS

Victor E. and Velma P. Povey
25441 S. E. Hoffmeister Road
Boring, Oregon 97009
GRANTOR'S NAME AND ADDRESS

After recording to him for
Victor E. and Velma P. Povey
25441 S. E. Hoffmeister Road
Boring, Oregon 97009
NAME, ADDRESS, ZIP

Mail a change to requested all four addresses shall be sent to the following address:
Victor E. and Velma P. Povey
25441 S. E. Hoffmeister Road
Boring, Oregon 97009
NAME, ADDRESS, ZIP

STATE OF OREGON
County of Clackamas }
I, George D. Pappas, County Clerk, Ex-Officio
Recorder of Conveyances and Real Estate
of the County of Clackamas, do hereby certify that
the foregoing instrument was duly recorded in
the records of said county of
SEP 9 PM 2 13
CLACKAMAS COUNTY, OREGON
RECORDED
INDEXED
SEP 9 1975
29528

2

52

2 - 2 5/8 (104 from 70)

FORM No. 770—ORDINANCE AND LSA 1943
1447

KNOW ALL MEN BY THESE PRESENTS, That **LESTER V. DEQUAY** and **BEATHA J. DEQUAY**, husband and wife, for the consideration hereinafter stated, have hereby granted, bargained, sold and conveyed unto **THE STATE OF OREGON** hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, situated in the County of **Clatsop**, State of **Oregon**, described as follows, to-wit:

(± 5.72 Acre Tract)

A tract of land situated in the East one-half of the Southwest one-quarter of the Northeast one-quarter of Section 2, Township 2 South, Range 3 East of the Willamette Meridian, in the County of Clatsop and State of Oregon, being more particularly described as follows:

Commencing at the center of said Section 2; thence Easterly, along the East-West centerline thereof, a distance of 666.87 feet to the southeast corner of said legal subdivision; thence Northerly, along the west line thereof, a distance of 1316.09 feet to the northwest corner of said legal subdivision; thence Easterly, along the north line thereof, a distance of 215.11 feet to the point of beginning of the tract of land herein to be described; thence Southerly parallel with the west line of said legal subdivision, a distance of 501.31 feet to a point; thence Easterly, parallel with the south line of said legal subdivision, a distance of 444.89 feet to a point in the west line of said legal subdivision; thence Northerly along said east line, a distance of 501.31 feet to the northeast corner of said legal subdivision; thence Westerly, along the north line thereof, a distance of 444.89 feet to the point of beginning.

To Have and to Hold the same unto the said grantee, and grantee's heirs, successors and assigns forever. The true and legal consideration paid for this transfer, stated in terms of dollars, is \$5,000.
In Witness Whereof, the grantor has executed this instrument this 19th day of May, 1957, if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

Lester V. Dequay
Beatha Dequay

STATE OF OREGON,
County of **Clatsop**,
May 19, 1957.
I, **Beatha Dequay**, do hereby certify that the foregoing instrument was acknowledged to me by **Lester V. Dequay** and **Beatha Dequay**, husband and wife, on this date.
Notary Public for Oregon
My commission expires 3-7-84

STATE OF OREGON, County of **Clatsop**.
I, **Helen J. Young**,
Notary Public for Oregon
My commission expires 3-7-84

JAMES E. DEQUAY and
MARTHA DEQUAY
Witnesses to the foregoing instrument.
Notary Public for Oregon
My commission expires 3-7-84

The foregoing instrument is a copy of the original instrument recorded in the office of the Register of Deeds of Clatsop County, Oregon, on this date.
Same as Above

STATE OF OREGON
Office of Oregon State Register of Deeds
I, **Clara G. Boylston**, County Clerk, do hereby certify that the foregoing instrument was duly filed in the office of the Register of Deeds of Clatsop County, Oregon, on this date.

81 MAY 19 4:15

81 17366

81 17366

Resolution No. 07-3776
Attachment 4 to COO Report

FORM No. 727—GRANTING AND SELLING RIGHTS IN OREGON

SECTION AND TITLE DATA

KNOW ALL MEN BY THESE PRESENTS, That VERNON E. WATSON and LENA E. WATSON **hereinafter called grantor,**
husband and wife, for the consideration hereinafter stated, **do hereby grant, bargain, sell and convey unto** VERNON E. WATSON and LENA E. WATSON
and VERNA E. POYER, husband and wife
hereinafter called grantees, and unto grantees' heirs, successors and assigns all of that certain real property with the
tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, situated in the County
of Clatsop, State of Oregon, described as follows, to-wit:

[Large blacked-out area]

To Have and to Hold the same unto the said grantees and grantees' heirs, successors and assigns forever.
 The true and actual consideration paid for this transfer, stated in terms of dollars, is \$2,000.00

[Blacked-out area]

In Witness Whereof, the grantor has executed this instrument this 14th day of May, 1934.

Wm. M. DeYoung
Secretary

STATE OF OREGON, County of Multnomah,
 May 19, 1934

Personally appeared the above named Wm. M. DeYoung
 and acknowledged the foregoing instru-
 ment to be his voluntary act and deed.

Official Lena E. Sherman
 (SEAL)
 Notary Public for Oregon
 My commission expires 3-7-34

STATE OF OREGON, County of _____,
 Personally appeared _____ and _____
 who, being duly sworn,
 each for himself and not one for the other, did say that the former is the
 president and that the latter is the
 secretary of _____ a corporation
 and that the not affixed to the foregoing instrument is the corporate seal
 of said corporation and that said instrument was signed and sealed in be-
 half of said corporation by authority of its board of directors; and each of
 them volunteered said instrument to be its voluntary act and deed.

Notary Public for Oregon
 My commission expires _____

VERNON E. WATSON and
 LENA E. WATSON
 2622 S.W. 4th Street
 Astoria, Oregon 97103

VERNA E. POYER and

Witness my hand and seal this
 14th day of May, 1934.

Wm. M. DeYoung
 Secretary

STATE OF OREGON,
 County of _____

I, _____, County Clerk of
 the County of _____, do hereby
 certify that the foregoing instrument
 was duly recorded in my office
 and subscribed to by the proper
 parties.

51 MAY 19 P 4: 15

61 17366

61 17366

ol

Resolution No. 07-3776
Attachment 4 to COO Report

FORM NO. 721 - GASHAM AND SALK BROS. (P.O. Box 100 or 1000)

BARBAIN AND SALK BROS.

KNOW ALL MEN BY THESE PRESENTS, That **VICTOR E. POVEY and VELMA P. POVEY**, husband and wife, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto the trustee, or her successor, under the certain trust dated 1-31-92 between **VELMA PAULINE POVEY and TEDOR EUGENE POVEY**, as grantors, and **VELMA PAULINE POVEY**, as trustee, hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, improvements and appurtenances thereto belonging or in anywise appertaining, situated in the County of **CLATSOP**, State of Oregon, described as follows, (to-wit):

(0.42-Acre Tract)
A tract of land situated in the East one-half of the Southwest one-quarter of the North-east one-quarter of Section 2, Township 2 South, Range 3 East of the Willamette Meridian, in the County of Clatsop and State of Oregon, being more particularly described as follows:
Commencing at the center of said Section 2; thence Easterly, along the East-West center-line thereof, a distance of 666.57 feet to the southwest corner of said legal subdivision; thence Northerly, along the west line thereof, a distance of 1316.09 feet to the northwest corner of said legal subdivision; thence Easterly, along the north line thereof, a distance of 215.11 feet to the point of beginning of the tract of land herein to be described; thence Southerly parallel with the west line of said legal subdivision, a distance of 501.31 feet to a point; thence Easterly, parallel with the south line of said legal subdivision, a distance of 444.89 feet to a point in the east line of said legal subdivision; thence Northerly along said east line, a distance of 501.31 feet to the north-east corner of said legal subdivision; thence Westerly, along the north line thereof, a distance of 444.89 feet to the point of beginning.

To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever. The true and actual consideration paid for this transfer, stated in terms of dollars is \$.....
Whereby the actual consideration contained or included in this property or value given or promised which is the true and actual consideration of the same, and the content so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.
In Witness Whereof, the grantor has executed this instrument this day of 19.....
If a corporate grantor, it has caused its name to be signed and its seal affixed by an officer or other person duly authorized to do so by order of its board of directors.
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS, BEFORE SHOWING OR ACCEPTING THE INSTRUMENT TO THE CLERK, ACQUINING FEE TITLE TO THE PROPERTY, FURNISHING COPIES WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

STATE OF OREGON, County of **Multnomah**
This instrument was acknowledged before me on **1992**
by **VICTOR E. POVEY and VELMA P. POVEY**
This instrument was acknowledged before me on
by **Brian J. Freeman**
of **NOTARY PUBLIC OREGON**
BRIAN J. FREEMAN
My Commission Expires **2-21-97** for the State of Oregon
My commission expires **2/21/97**

VICTOR E. & VELMA P. POVEY
BARBAIN'S NAME AND ADDRESS
VELMA PAULINE POVEY, TRUSTEE
GRANTEE'S NAME AND ADDRESS
After recording return to:
Brian J. Freeman, Attorney
P. O. Box 809
Gresham, OR 97030
MAIL TO CHANGE A REPEATED CALL TO STATEMENTS SHOULD BE SENT TO THE FOLLOWING MAIL:
Velma Pauline Povey, Trustee
25529 SE Huffmeister Rd.
Boring, OR 97009

STATE OF OREGON
County of Clatsop
I, Brian J. Freeman, County Clerk, do hereby certify that the above is a true and correct copy of the original as the same appears on file in my office.
92 MAR 16 PM 2:39
92 14835
92 14835

REC
X
P
I

8

110

1

Resolution No. 07-3776
Attachment 4 to COO Report

FORM NO. 713-GENEAL AND SALE DEED (Revised and Corrected)

NOTARY PUBLIC STATE OF OREGON

DEED AND GIFT DEED

20
30
Page 2
II

KNOW ALL MEN BY THESE PRESENTS, That VICTOR E. and VELMA P. POVEY, husband and wife, hereinafter called grantor, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto VELMA PAULINE POVEY, trustee, or her successor, under that certain Trust Dated 1-30-92, between VELMA PAULINE POVEY and ERNEST POVEY, and to her successor, and to her trustee, the following property with the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining, situated in the County of Clackamas, State of Oregon, described as follows, to-wit:

A parcel of land located in the Northeast one-quarter of Section 2, Township 2 South, Range 3 East, Willamette Meridian, Clackamas County, Oregon, being more particularly described as follows, to-wit:
Commencing at the center of said Section 2; thence South 89° 05' 39" East along the East-West centerline of said Section 2, a distance of 666.65 feet to the Southwest corner of the East one-half of the Southwest one-quarter of the Northeast one-quarter of said Section 2; thence North 00° 04' 27" East along the West line of said legal subdivision a distance of 776.73 feet to the true point of beginning; thence continuing North 00° 04' 27" East along said West line of said legal subdivision 538.17 feet to a point that is 8.00 feet South of the Northwest corner of the East one-half of the Southwest one-quarter of the Northeast one-quarter; thence South 88° 52' 24" East and parallel with the North line of the East one-half of the Southwest one-quarter of the Northwest one-quarter 215.11 feet; thence South 00° 04' 27" West a distance of 537.55 feet; thence North 89° 05' 19" West a distance of 215.11 feet to the true point of beginning, said parcel containing 2.654 acres, more or less.

X

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND SEAL THIS 5th DAY OF OCTOBER, 1992.
To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.
The true and actual consideration paid for this transfer, stated in terms of dollars, is \$.....
Whereas, the actual consideration consists of or includes other property or value given or promised which is the whole consideration (includes which) of the premises hereunto conveyed, it is agreed that no consideration for this deed is to be taken into account in construing this deed and when the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporations and to individuals.
In Witness Whereof, the grantor has executed this instrument this 5th day of OCTOBER, 1992.
If a corporate grantor, it has caused its name to be signed and its seal affixed by an officer or other person duly authorized to do so by order of its board of directors.

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 THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

Victor E. Povey
Velma P. Povey

STATE OF OREGON, County of Multnomah, ss.
This instrument was acknowledged before me on OCT 5 1992
by VICTOR E. POVEY and VELMA P. POVEY
This instrument was acknowledged before me on 19__

Brian J. Freeman
NOTARY PUBLIC OREGON
BRIAN J. FREEMAN
Notary Public for Oregon My Commission Expires 6-6-95

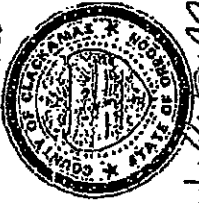
VICTOR E. & VELMA P. POVEY

VELMA PAULINE POVEY, TRUSTEE

Brian J. Freeman, Attorney
P. O. Box 809
Gresham, Oregon 97030

Velma Pauline Povey, Trustee
25529 SE Hoffmeister Road
Boring, Oregon. 97008

92 MAR 16 PM 2:39



Brian J. Freeman
Notary Public Oregon
92 14836

83

92 14836

Handwritten signature/initials

RECIPROCAL EASEMENT
For Automobile Driveway Adjoining Parcels

THIS RECIPROCAL EASEMENT, Made and entered into this 12th day of December, 1985,
by VICTOR E. POVEY AND VELMA P. POVEY, HUSBAND AND WIFE
of the first party, and R.G. YULE AND ELLA YULE, HUSBAND AND WIFE
of the second party, WITNESSETH:

WHEREAS, the first party is the owner in fee simple of the following described real property in the County of Clackamas and State of Oregon:

Tract of land located in the Northeast one-quarter of Section 2, Township 2 South, Range 3 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, being more particularly described as follows:

A strip of land situated to the East one-half of the Eastern one-quarter of the Northeast one-quarter of Section 2, Township 2 South, Range 3 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, being more particularly described as follows:

Beginning at the center of said Section 2; thence Easterly, along the Eastern boundary thereof, a distance of 220 feet to the Western boundary of said parcel; thence South 89 degrees 59 minutes 59 seconds West, along the Western boundary of said parcel, a distance of 1312 feet to the place of beginning.

AND WHEREAS, the second party is the owner in fee simple of the following described real property in said county and state, to-wit:

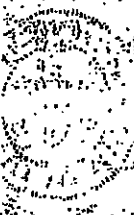
Tract of land located in the Northeast one-quarter of Section 2, Township 2 South, Range 3 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon, being more particularly described as follows:

Beginning at a point 220 feet East of the Northwest corner of the East one-half of the Northeast one-quarter of Section 2, Township 2 South, Range 3 East, of the Willamette Meridian; running thence East 220 feet; thence South 1312 feet; thence East 220 feet; thence North 1312 feet to the place of beginning.

AND WHEREAS, the parties desire to grant in each other an easement and right to use a certain automobile driveway or road to be constructed along and upon a portion of both of said parcels;

NOW, THEREFORE, in consideration of each party's granting to the other an easement hereinafter described, with valuable consideration each to the other in hand paid, the receipt of which is hereby acknowledged:

85 45601



*Automobile
driveway*

12-26-85

*AWE/IB
Parcel I*

64

Resolution No. 07-3776
Attachment 4 to COO Report

EXHIBIT "A"

A TRACT OF LAND LOCATED IN THE NORTHEAST ONE-QUARTER OF SECTION 2, TOWNSHIP 2 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN, IN CLACKAMAS COUNTY, OREGON BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THAT TRACT OF LAND AS CONVEYED BY DEED TO VICTOR E. POVEY AND VELMA F. POVEY AND RECORDED AT FILM RECORD NUMBER 81 17366. CLACKAMAS COUNTY FILM RECORDS, SAID POINT BEING ON THE WEST RIGHT-OF-WAY FOR SE 257TH AVENUE A COUNTY ROAD AS RECORDED AT PAGE 499 BOOK 123 CLACKAMAS COUNTY DEED RECORDS, SAID POINT OF BEGINNING BEARS NORTH 89° 03' 20" EAST 1333.03 FEET AND NORTH 0° 06' 55" WEST 1315.10 FEET FROM THE SOUTHEAST CORNER OF SECTION 2, TOWNSHIP 2 SOUTH, RANGE 3 EAST, WILLAMETTE MERIDIAN; THENCE SOUTH 0° 06' 55" EAST 25.00 FEET ALONG SAID WEST RIGHT-OF-WAY LINE OF SE 257TH AVENUE; THENCE NORTH 88° 59' 52" WEST 25.00 FEET; THENCE NORTH 0° 06' 55" WEST 25.00 FEET TO A POINT ON THE NORTH LINE OF SAID POVEY TRACT; THENCE SOUTH 88° 59' 52" EAST 23.00 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING.

3

STATE OF OREGON
County of Clackamas
I, Joseph H. Orr, County Clerk, for the County of Clackamas, do hereby certify that the foregoing is a true and correct copy of the records of said County of

DEC 28 11 21 59

Joseph H. Orr
J. H. ORR
County Clerk
85 45601
DEC 28 1905

DEC 28 1905

60

REVOCABLE LIVING TRUST AGREEMENT
FOR JOINT TRUSTORS

DATED: January 30, 1992.

BETWEEN: VELMA PAULINE POVEY and VICTOR EUGENE POVEY,
as Trustors,

AND: VELMA PAULINE POVEY
as Trustee.

We, VELMA PAULINE POVEY and VICTOR EUGENE POVEY, as Trustors, hereby establish a trust with Trustee. The parties agree that the property of this trust shall be held, managed and distributed by our Trustee as hereafter provided.

ARTICLE I

NAME OF TRUST

This trust may be called the POVEY TRUST.

ARTICLE II

FAMILY

We are married and the parents of one child, VICTOR RONALD POVEY,

ARTICLE III

TRUST PROPERTY

We have transferred and delivered to our Trustee the property described on Schedule A. Such titles and interests as our Trustee has received or may hereafter acquire in that property and such other property as may hereafter be added to the trust shall be vested in our Trustee.

ARTICLE IV

ADDITIONS TO TRUST

Our Trustee shall have the power to receive other property, real or personal, tangible or intangible, including life insurance policies, devised, bequeathed, granted, conveyed, assigned or made payable to our Trustee by us or by any other person or persons, which property, upon acceptance by

Resolution No. 07-3776
Attachment 4 to COO Report

our Trustee, shall be added to and become a part of the trust estate and shall be subject to this Agreement.

ARTICLE V

REVOCATION AND AMENDMENT

A. Revocation/Withdrawals. We reserve the right by written instrument signed by us as Trustors and filed with our Trustee to revoke this Agreement at any time or to withdraw from the trust estate, discharged of the trust, all or any part of the principal and accumulated income of the trust upon satisfying all sums due to our Trustee and indemnifying our Trustee to our Trustee's reasonable satisfaction against liabilities lawfully incurred in the administration of this trust.

B. Amendment. We reserve the right to alter or amend this Agreement at any time, by written instrument signed by us as Trustors and accepted by our Trustee.

C. Rights Personal to Us. The rights of revocation, withdrawal, alteration and amendment reserved by us must be exercised solely by us and may not be exercised by any other person, including any agent, guardian or conservator. However, if one of us is deceased or if during our joint lifetime one of us is incapacitated to the extent that he or she is unable to manage business affairs, the other Trustor acting alone may exercise the foregoing rights of revocation, withdrawal, alteration and amendment.

ARTICLE VI

DISPOSITION OF INCOME AND PRINCIPAL
DURING OUR LIFETIME

During our lifetime, the trust shall be administered and distributed as follows:

A. Distributions. Our Trustee shall distribute to or for our benefit or to or for the benefit of either of us such portions of the income and principal of the trust as we may from time to time request in writing.

B. Incapacity. If both of us become incapacitated to the extent that we are unable to manage our business affairs, our Trustee shall distribute to or for our benefit income and principal in amounts determined by our Trustee to be necessary for our health, education, support and maintenance to enable us to maintain the standard of living to which we are accustomed.

ARTICLE VII

PAYMENT OF TAXES, DEBTS AND OTHER
EXPENSES AFTER DEATH OF EITHER TRUSTOR

After the death of either of us:

A. Taxes.

1. Upon the death of either of us, unless his or her Will shall provide otherwise, and except as otherwise provided in this trust instrument, all estate, inheritance, succession or other transfer taxes, including any interest and penalties thereon, ("death taxes") that become payable by reason of the death of that person with respect to property passing under this Agreement shall be paid out of the residue of the trust without reimbursement from the recipient of such property and without apportionment. All death taxes upon property not passing under this Agreement shall be apportioned in the manner provided by law.

2. Except as otherwise provided herein, if one of us dies leaving an estate subject to probate of which a Personal Representative shall be appointed, our Trustee upon reasonable notice may pay to the Personal Representative all or any part of any death taxes arising by reason of the Trustor's death.

B. Debts and Expenses.

1. Upon the death of either of us, our Trustee may pay the following obligations and liabilities of that person or of his or her estate as soon as reasonably convenient (not necessarily in the order stated):

a. Just debts and claims, including income taxes and penalties and interest thereon, but our Trustee need not pay obligations not yet due and payable.

b. Expenses of last illness and funeral.

c. Costs and expenses, including professional fees, necessary to settle and administer his or her estate.

2. Our Trustee may pay the obligations and liabilities directly or through the Personal Representative of the deceased person's estate, if any. Our Trustee may rely upon a written statement of the Personal Representative as to the amount of such claims, expenses, taxes or other costs, and

Resolution No. 07-3776
Attachment 4 to COO Report

shall be under no duty to see to the application of any funds so paid.

C. Transactions with Probate Estate. Our Trustee may acquire as an investment for the trust any securities or other property included as an asset of the deceased person's estate whether or not such investment shall be legal for the investment of trust funds in the State of Oregon, and may lend funds to the probate estate with or without security.

ARTICLE VIII

DISTRIBUTION OF RESIDUE AFTER
DEATH OF EITHER TRUSTOR

After the death of either of us:

After the payment of the amounts authorized in the preceding Article, the remaining assets of the trust, including all principal and all accrued, accumulated and undistributed income, shall be administered and distributed as follows:

A. Distributions to Survivor. Our Trustee shall pay to or for the benefit of the survivor of us such portions of income and principal of the trust as he or she may from time to time request in writing, even if the withdrawal exhausts the trust.

B. Incapacity. If the survivor of us becomes incapacitated to the extent that he or she is unable to manage business affairs, our Trustee shall distribute income and principal in amounts determined by our Trustee to be necessary for the health (including, but not limited to, medical, dental, hospital and nursing expenses), education, maintenance and support of the survivor of us to enable him or her to maintain the standard of living that he or she maintained in his or her lifetime.

C. Distribution to Residual Beneficiary. Upon the death of the survivor of us, our Trustee shall then distribute all the property of the trust, including the principal and any accrued, accumulated and undistributed income, to our son, VICTOR RONALD POVEY.

D. Contingent beneficiaries. If our son, Victor Ronald Povey, does not survive both of us, then all of the property of the trust, including the principal and any accrued, accumulated and undistributed income, shall be divided equally among NANCY POVEY (wife of Victor Ronald Povey), KEVIN DOUGLAS POVEY and NICHOLAS BRANDON POVEY. The shares shall be administered and distributed as follows:

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1. Distribution of share to Nancy Povey. The share established for Nancy Povey shall be distributed forthwith.

2. Distribution of Shares to Grandchildren. A share established for Kevin Douglas Povey or Nicholas Brandon Povey shall be distributed forthwith; provided, however, that if any such grandchild or other lineal descendant is under twenty-five (25), his share shall be retained by our Trustee until the beneficiary is twenty-five (25), and in the interval our Trustee shall pay to or for the benefit of the beneficiary such amounts of income and principal of the share as our Trustee shall determine to be necessary for his or her health, education, support and maintenance. If any such beneficiary dies prior to receiving distribution in full of the share, all remaining assets of the share shall be distributed to the beneficiary's estate.

ARTICLE IX

SURVIVORSHIP

If any beneficiary named or described in this instrument dies within four (4) months after the death of the survivor of us, all the provisions in this instrument for the benefit of such deceased beneficiary shall lapse, and this instrument shall be construed as though the fact were that he or she predeceased the survivor of us.

ARTICLE X

CONTINGENT BENEFICIARIES

If in any circumstances not provided for in this instrument there is any portion of a trust for which there is no beneficiary named, described or otherwise, the portion shall be distributed to those persons then living who would be entitled to receive the estate of the last Trustor to die as provided by the intestate laws of the State of Oregon then in effect.

ARTICLE XI

TRUSTEE PROVISIONS

A. Resignation of Trustee. A Trustee may resign at any time without court approval by giving written notice to the successor Trustee, or if there is no successor, to the

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beneficiaries, to their legal Guardians, or to the persons having the care or custody of minor beneficiaries.

B. Successor Trustee. If Velma P. Povey shall become incapacitated or die, then Victor Ronald Povey shall be the Successor Trustee and if Victor Ronald Povey shall refuse or not be able to serve, then Nancy Povey shall be the Alternate Successor Trustee.

C. Appointment of Successor Trustee. If there shall be no Trustee of a trust, a majority in interest of those income beneficiaries who are of legal age and capacity and the Guardians, if any, of those who are not of legal age and capacity may by a written instrument appoint a successor Trustee or Trustees.

D. Responsibility of Successor. A successor Trustee shall have the same rights, titles, powers, duties, discretions and immunities and otherwise be in the same position as if the successor Trustee had been originally named as Trustee hereunder. No successor Trustee shall be personally liable for any act or failure to act of any predecessor Trustee or shall have any duty to examine the records of any predecessor Trustee. A successor Trustee may accept the account rendered and the property delivered to the successor Trustee by or on behalf of the predecessor Trustee as a full and complete discharge of the predecessor Trustee without incurring any liability or responsibility for so doing.

E. Compensation for Trustee. Our Trustee shall be entitled to reasonable compensation for its services as Trustee. If a corporate fiduciary is serving as Trustee, reasonable compensation shall be determined by reference to the fee schedule used by our Trustee at the time such compensation is payable.

F. Valuation. Our Trustee shall be indemnified against liability (including liability for penalties) for valuation positions taken or settled if made in good faith and with reasonable basis.

ARTICLE XII

LIFE INSURANCE

With respect to life insurance policies wherein our Trustee is the beneficiary of policies owned by us or either of us, the proceeds of all said policies shall be collected by our Trustee and held under the terms hereof. The payment to our Trustee by any insurance company of the proceeds of any such policy of insurance shall be a full discharge of the insurance

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company on account of said policy, and the insurance company shall in no way be responsible for the proper discharge of the trust or any part thereof. Our Trustee shall not be required to enter into collection proceedings or institute any litigation to enforce payment of the policies until reasonable provision has been made for indemnification of our Trustee against all expenses and liabilities related to such proceedings.

ARTICLE XIII

TRUSTEE'S DUTIES AND POWERS

My Trustee shall have all powers conferred upon a trustee by the laws of Oregon for the orderly administration of the trust estate, including those specified in the Oregon Uniform Trustee's Powers Act in effect in Oregon as it may be amended, from time to time.

ARTICLE XIV

TAX ELECTIONS/DISCRETIONS

The Personal Representatives of our estates and our Trustee shall have full power and authority, in their absolute discretion:

A. To use administration expenses as deductions for estate tax purposes or for income tax purposes.

B. To use date-of-death values or alternate values for estate tax purposes.

C. To file with the survivor of us or the personal representative of the survivor's estate joint income tax returns for the year in which the death of either or the survivor of us occurs and for any previous year for which a return has not been filed prior to the death of one of us.

D. To consent for gift tax purposes to treat gifts made by either of us during our joint lifetime as if made one-half (1/2) by each of us.

E. To pay in full, as a debt of either of us who is deceased, any tax shown on any income tax return or gift tax return filed by his or her Personal Representative and any additional tax and interest that may be assessed as a result of the audit of any such return.

F. To allocate all, some or none of any unused portion of the generation-skipping tax exemption of either of us who is

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deceased to any property (including unallocated lifetime transfers) and in any manner.

G. To apportion to and deduct from the share of a beneficiary (exclusive of any charitable beneficiary) having an interest in income of the estate of either of us who is deceased any income taxes imposed upon or chargeable to that income, in such equitable manner as the deceased person's Personal Representative shall determine.

H. To make any other election, allocation or decision available under any federal or state tax laws. Any such election, allocation or decision may be made regardless of the effect thereof on any of the interests passing under this instrument and without adjustment between income and principal or among beneficiaries.

ARTICLE XV

MISCELLANEOUS PROVISIONS

A. Distributions to Minors and Others. If any beneficiary of the trust who is entitled to distributions of income or principal is incapacitated or under the age of majority, our Trustee may make distributions to which the beneficiary is entitled directly to the beneficiary, to a Guardian or Conservator of the beneficiary, to a Custodian for the benefit of a minor beneficiary or to any person who or corporation that shall be furnishing health, maintenance, support or education to the beneficiary. The receipt of any person to whom distributions are made as herein authorized shall be a sufficient voucher for our Trustee, and the recipient need not be required to account to our Trustee.

B. Consideration of Other Support. In making discretionary distributions, our Trustee may, but shall not be required to, determine other sources of income, support or property available to the beneficiary, and our Trustee shall have absolute discretion to determine the extent to which such other income, support or property must first be utilized by the beneficiary.

C. Undistributed Income. Unless otherwise provided in this agreement, income accrued, accumulated or undistributed upon the termination of any interest under any trust shall pass to the beneficiary entitled to the next eventual interest. Any income that is not distributable shall be accumulated, added to and thereafter administered as a part of the principal of the trust.

D. Election to Defer Distribution. A beneficiary may elect not to receive distribution of a share of a trust otherwise distributable to the beneficiary. In that event, our Trustee shall retain the distributable share in a separate trust. The separate trust shall be administered and distributed to or for the benefit of the beneficiary in accordance with the provisions of the trust established for that beneficiary, which by this reference are incorporated herein, and thereafter shall be subject to withdrawal by the beneficiary at any time.

E. Spendthrift Protection. No beneficiary shall have any power to sell, assign, transfer, encumber or in any other manner anticipate or dispose of his or her interest in the trust or the income produced thereby prior to its actual distribution by our Trustee to said beneficiary or to another for the benefit of the beneficiary in the manner authorized by this Agreement. No beneficiary shall have any assignable interest in any trust created under this Agreement or in the income therefrom. Neither the principal nor the income shall be liable for the debts of any beneficiary. The limitations herein shall not restrict the exercise of any power of appointment or the right to disclaim.

F. Rule Against Perpetuities. Unless sooner terminated or vested in accordance with other provisions of this instrument, all interests not otherwise vested, including but not limited to all trusts and powers of appointment created hereunder shall terminate (1) twenty-one (21) years after the death of the last survivor of my spouse and my lineal descendants living on the date of my death, or (2) 90 years after the date of my death, whichever period is later, at the end of which time distribution of all principal and all accrued, accumulated and undistributed income shall be made to the persons then entitled to distributions of income and in the manner and proportions herein stated, (or, if not stated, equally) irrespective of their then-attained ages.

G. Severability. If any provision of a trust should be invalid or unenforceable, the remaining provisions thereof shall continue to be fully effective.

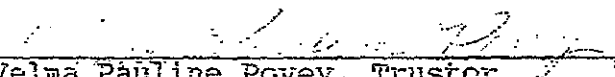
H. Statutory References. Unless the context clearly requires another construction, each statutory reference in this instrument shall be construed to refer to that statutory section mentioned, related successor sections and corresponding provisions of any subsequent law, including all amendments.

I. Table of Contents, Titles and Captions. The table of contents, titles and captions used in this instrument are for convenience of reference only and shall not be construed to have any legal effect.

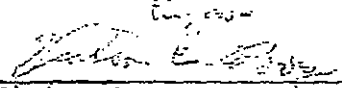
Resolution No. 07-3776
Attachment 4 to COO Report

5. Interpretation. The laws of the state of Oregon shall govern with respect to the validity and interpretation of this instrument.

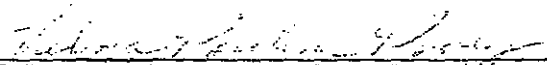
Executed this 30 day of January, 1992.


Velma Pauline Povey, Trustor

Social Security No. 545 11-2227


Victor Eugene Povey, Trustor

Social Security No. 541-11-4465


VELMA PAULINE POVEY, Trustee

FREEMAN, DOWNING & GRANATH, P.C.
ATTORNEYS AT LAW
510 N.E. Roberts (P.O. Box 809)
Gresham, OR 97030
665-4176

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SCHEDULE "A"

1. All automobiles, motorhomes or other vehicles owned by Velma Pauline Povey and Victor Eugene Povey, or either one of us.
2. A Vendors' interest in the Contract of Sale, dated September 18, 1989, between Victor E. Povey and Velma Pauline Povey, vendors, and Willard Warren, William Paul Young and Kimberly L. Young, vendees.
3. Approximately 5.12 acres in Clackamas County purchased from Vernon W. DeYoung and Bertha DeYoung under a Bargain and Sale Deed dated May 19, 1981, said deed being recorded under Clackamas County Fee No. 81-17366.
4. The interest of Victor E. Povey and Velma P. Povey, as set forth in a Deed of Crypt, dated May 4, 1981, describing the Crypt as "Companion Two Hundred and Four S Five (204S5) and Two Hundred and Five S Five (205S5) Laurel Corridor" in that certain Mausoleum Columbarium known as Riverview Abbey, located at 0319 SW Taylors Ferry Road, in the City of Portland, Multnomah, Oregon, as per plat on file in office of Abbey.
5. All of our tangible and intangible personal property of whatever kind or nature and wheresoever situated, including but not limited to household furnishings, jewelry, vehicles, coin collections, stamp collections, stocks, bonds, bank accounts, and accounts receivable.
6. Lots 32 and 33, Block 27 of Oregon Water Wonderland, Unit 2, Deschutes County, Oregon.

(5 Povey.A)

Resolution No. 07-3776
Attachment 4 to COO Report
7/1/2006 to 6/30/2007 REAL PROPERTY TAX STATEMENT
CLACKAMAS COUNTY, OREGON * 168 WARNER MILNE RD. * OREGON CITY, OREGON 97045

PROPERTY DESCRIPTION

25529 SE HOFFMEISTER RD
DAMASCUS OR 97089

POVEY VELMA PAULINE TRUSTEE
25529 SE HOFFMEISTER RD
DAMASCUS OR 97089

MAP: 23E02A 01412

Code Area: 026-029

Acres: 2.65

ACCOUNT NO: 01509656

2006 - 2007 CURRENT TAX BY DISTRICT:

COM COLL MT HOOD	32.15
ESD MULTNOMAH	30.99
SCH GRESHAM/BRLW	306.56
EDUCATION TOTAL:	369.70
CITY DAMASCUS	223.48
COUNTY CLACKAMAS	162.82
FD59 BORING	160.98
PORT OF PTLD	4.67
SRV 2 METRO - OREGON ZOO	6.43
URBAN RENEWAL COUNTY	8.31
VECTOR CONTROL	0.44
VECTOR CONTROL LOC OPT	1.69
GENERAL GOVERNMENT TOTAL:	568.82
SCH DAMASCUS BI	50.74
SCH GRESHAM/BRLW BOND	92.85
SRV 2 METRO BOND	12.07
EXCLUDED FROM LIMIT TOTAL:	155.66
2006-2007 TAX BEFORE DISCOUNT	1,094.18

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET VALUES (RMV):		
RMV LAND	124,157	143,652
RMV BLDG	35,060	41,110
RMV TOTAL	159,217	184,762
SAV TOTAL	99,028	114,888
ASSESSED VALUE (AV):	65,751	67,722

PROPERTY TAXES: 1,050.15 1,094.18

Questions about your property value or taxes
Please call 503-655-8671

Please Make Payment To: CLACKAMAS COUNTY TAX COLLECTOR
(Refer to the insert enclosed for more information)

DELINQUENT TAXES: NO DELINQUENT TAXES DUE

See back for explanation of taxes marked with an (*).
Delinquent tax amount is included in payment options listed below.

TOTAL (after discount): 1,061.35

(See back of statement for instructions)

TAX PAYMENT OPTIONS

Payment Options	Date Due	Discount Allowed	Net Amount Due
FULL PAYMENT	Nov 15, 2006	32.83 3% Discount.....	1,061.35
2/3 PAYMENT	Nov 15, 2006	14.59 2% Discount.....	714.86
1/3 PAYMENT	Nov 15, 2006	No Discount.....	364.72

↑ TEAR HERE PLEASE RETURN THIS PORTION WITH YOUR PAYMENT See back of Statement for Instructions TEAR ↑ HERE

2006-2007 Property Tax Payment Clackamas County, Oregon

ACCOUNT NO: 01509656

PROPERTY LOCATION: 25529 SE HOFFMEISTER RD

Unpaid delinquent tax due is included in payment options.

FULL PAYMENT	(Includes 3% Discount)	DUE Nov 15, 2006	1,061.35
2/3 PAYMENT	(Includes 2% Discount)	DUE Nov 15, 2006	714.86
1/3 PAYMENT	(No Discount offered)	DUE Nov 15, 2006	364.72

DISCOUNT IS LOST AND INTEREST APPLIES AFTER DUE DATE

Mailing address change or name change on back

Enter Amount Paid

POVEY VELMA PAULINE TRUSTEE
25529 SE HOFFMEISTER RD
DAMASCUS OR 97089

Please make payment to:
CLACKAMAS COUNTY TAX COLLECTOR
168 Warner Milne Rd
Oregon City, OR 97045

Resolution No. 07-3776
Attachment 4 to COO Report
7/1/2006 to 6/30/2007 REAL PROPERTY TAX STATEMENT
CLACKAMAS COUNTY, OREGON * 168 WARNER MILNE RD. * OREGON CITY, OREGON 97045

PROPERTY DESCRIPTION

MAP: 23E02A 01410

ACCOUNT NO: 00601637

Code Area: 026-029

Acres: **2006 - 2007 CURRENT TAX BY DISTRICT:**

POVEY VELMA PAULINE TRUSTEE
25529 SE HOFFMEISTER RD
DAMASCUS OR 97089

5.12

COM COLL MT HOOD	3.83
ESD MULTNOMAH	3.69
SCH GRESHAM/BRLW	36.50
EDUCATION TOTAL:	
CITY DAMASCUS	44.02
COUNTY CLACKAMAS	26.60
FD59 BORING	19.39
PORT OF PTLD	19.17
SRV 2 METRO - OREGON ZOO	0.56
URBAN RENEWAL COUNTY	0.77
VECTOR CONTROL	0.99
VECTOR CONTROL LOC OPT	0.05
GENERAL GOVERNMENT TOTAL:	
SCH DAMASCUS BI	0.20
SCH GRESHAM/BRLW BOND	67.73
SRV 2 METRO BOND	6.04
EXCLUDED FROM LIMIT TOTAL:	
2006-2007 TAX BEFORE DISCOUNT	11.06
	1.44
	18.54
	130.29

VALUES:	LAST YEAR	THIS YEAR
REAL MARKET VALUES (RMV):		
RMV LAND	133,661	154,649
RMV TOTAL	133,661	154,649
SAV TOTAL	12,375	13,593
ASSESSED VALUE (AV):	7,833	8,064

PROPERTY TAXES: 125.11 130.29

Questions about your property value or taxes
Please call 503-655-8671

Please Make Payment To: CLACKAMAS COUNTY TAX COLLECTOR
(Refer to the insert enclosed for more information)

DELINQUENT TAXES: NO DELINQUENT TAXES DUE

See back for explanation of taxes marked with an (*).
Delinquent tax amount is included in payment options listed below.

TOTAL (after discount): 126.38

(See back of statement for instructions)

TAX PAYMENT OPTIONS

Payment Options	Date Due	Discount Allowed	Net Amount Due
FULL PAYMENT	Nov 15, 2006	3.91 3% Discount.....	126.38
2/3 PAYMENT	Nov 15, 2006	1.74 2% Discount.....	85.12
1/3 PAYMENT	Nov 15, 2006	No Discount.....	43.43

↑ TEAR
HERE

PLEASE RETURN THIS PORTION WITH YOUR PAYMENT See back of Statement for Instructions

TEAR ↑
HERE

2006-2007 Property Tax Payment Clackamas County, Oregon

ACCOUNT NO: 00601637

Unpaid delinquent tax due is included in payment options.

FULL PAYMENT	(Includes 3% Discount)	DUE Nov 15, 2006	126.38
2/3 PAYMENT	(Includes 2% Discount)	DUE Nov 15, 2006	85.12
1/3 PAYMENT	(No Discount offered)	DUE Nov 15, 2006	43.43

DISCOUNT IS LOST AND INTEREST APPLIES AFTER DUE DATE

Mailing address change or name change on back

Enter Amount Paid

POVEY VELMA PAULINE TRUSTEE
25529 SE HOFFMEISTER RD
DAMASCUS OR 97089

Please make payment to:
CLACKAMAS COUNTY TAX COLLECTOR
168 Warner Milne Rd
Oregon City, OR 97045