

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENTERING AN ORDER RELATING TO THE OREGON WORSTED CO. CLAIM FOR COMPENSATION UNDER ORS 197.352 (MEASURE 37)) Resolution No. 07-3803) Introduced by Chief Operating Officer Michael Jordan with the concurrence of Council President David Bragdon

WHEREAS, Oregon Worsted Co. filed a claim for compensation under ORS 197.352 (Measure 37) contending that Metro regulations had reduced the fair market value of property it owns in the city of Portland; and

WHEREAS, the Chief Operating Officer (COO) 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 regulations that are 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 May 24, 2007, and considered information presented at the hearing; now, therefore

BE IT RESOLVED that the Metro Council

1. Enters Order 07-029, attached to this resolution as Exhibit A, which denies the claim for compensation.
2. Directs the COO to send a copy of Order No. 07-029, with Exhibit A attached, to the claimant, persons who participated in the public hearing on the claim, the City of Portland 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 ____ day of _____, 2007

WITHDRAWN
David Bragdon, Council President

Approved as to form:

Daniel B. Cooper, Metro Attorney

Exhibit A to Resolution No. 07-3803

Order No. 07-029

RELATING TO THE OREGON WORSTED CO. CLAIM
FOR COMPENSATION UNDER ORS 197.352 (MEASURE 37)

Claimant: Oregon Worsted Co.
Property: Portland, OR (map attached)
Claim: Metro Charter, Regional Framework Plan and Metro Code reduce the value of claimant's property

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 report prepared by the Chief Operating Officer (COO) prepared pursuant to section 2.21.040, and other materials presented at the hearing.

The Metro Council considered the claim at a public hearing on May, 24, 2007.

IT IS ORDERED THAT:

The claim of Oregon Worsted Co. for compensation be denied because it does not qualify for compensation for reasons set forth in the reports of the COO.

ENTERED this ____ day of _____, 2007.

WITHDRAWN

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. 07-029
For the Purpose of Entering an Order
Relating to the Measure 37 Claim of Oregon Worsted Company**

April 24, 2007

METRO CLAIM NUMBER: Claim No. 07-029

NAME OF CLAIMANT: Oregon Worsted Company

MAILING ADDRESS: Oregon Worsted Company
C/O Donald Joe Willis
Schwabe, Williamson & Wyatt
Mill View Way Building
549 SW Mill View Way, Suite 100
Bend, OR 97702

PROPERTY LOCATION: 8300 SE McLoughlin Blvd.
Milwaukie, OR

LEGAL DESCRIPTION: T1S, R1E, Section 24CC, tax lot 200

ACREAGE: 7.77 acres

DATE OF CLAIM: November 29, 2006

I. CLAIM

Claimant Oregon Worsted Company seeks compensation in the amount of \$4,460,000 for a claimed reduction in fair market value (FMV) of property owned by the claimant as a result of numerous sections of Metro's Regional Framework Plan, Code, and Charter. These disputed sections are listed below in four categories. The first category ("Category One") contains cited Metro regulations that do not exist. The second category ("Category Two") are those cited provisions that do not apply to or restrict the use of the subject property. The third category ("Category Three") of cited regulations are exempt under ORS 197.352 (Measure 37) for reasons described herein. The fourth category ("Category Four") of cited regulations apply to and restrict the use of the subject property. It is recommended that Category One and Category Two claims be dismissed outright for the above reasons. Category Three and Category Four disputed regulations are addressed more thoroughly herein. In lieu of compensation, claimant seeks a waiver of those regulations so claimant can develop the property with a 150,000 square foot multilevel retail project.

The Chief Operating Officer (COO) sent notice of date, time and location of the public hearing on this claim before the Metro Council on April 24, 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.

Claimant has also submitted Measure 37 claims with the City of Portland and the State of Oregon.

Category One – Cited regulations that do not exist

Regional Framework Plan

- 2.4 System Objectives
- 2.20 Right-of-Way Opportunities
- 2.21 Adequacy of Transportation Facilities
- 2.24 Natural Environment
- 2.28 Motor Vehicle Level of Service
- 2.29 Local Street Connectivity

Category Two – Cited regulations that do not apply to or restrict the use of subject property

Regional Framework Plan

- 1.1 Urban Form
- 1.2 Built Environment
- 1.6 Growth Management
- 1.10 Urban Design
- 1.11 Neighbor Cities
- 2.2 Intergovernmental Coordination
- 2.3 Urban Form
- 2.4 Consistency between Land Use and Transportation Planning
- 2.11 Street Design (assuming claimant is referring to 2.12 Regional Street Design and
- 2.12 Local Street Design)
- 2.13 Motor Vehicle Transportation (assuming claimant is referring to 2.14 Regional Motor Vehicle System)
- 2.18 Transportation Demand Management (assuming claimant is referring to 2.28 Regional Transportation Demand Management)
- 3.1 Inventory of Park Facilities and Identification and Inventory of Regionally Significant Parks, Natural Areas, Open Spaces, Fish and Wildlife Habitat, Trails and Greenways
- 3.2 Protection of Regionally Significant Parks, Natural Areas, Open Spaces, Fish and Wildlife Habitat, Trails and Greenways
- 3.3 Management of the Publicly-Owned Portion of the Regional System of Parks, Natural Areas, Open Spaces, Fish and Wildlife Habitat, Trails and Greenways
- 3.5 Provision of Community and Neighborhood Parks, Open Spaces, Fish and Wildlife Habitat, Natural Areas, Trails and Recreation Programs
- 4.5 Urban Planning and Natural Systems
- 7.3 Applicability of Regional Framework Plan Policies
- 7.5 Functional Plans
- 7.6 Periodic Review of Comprehensive Land Use Plans
- 7.7 Implementation Roles
- 7.8 Performance Measures
- 7.9 Monitoring and Updating

Metro Code

- 1.01.001 Code Adoption
- 1.01.040 Definitions
- 1.01.050 Grammatical Interpretation
- 1.01.060 Construction
- 1.01.110 Violations and Penalties
- 2.01 Council Organization and Procedures

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|----------------|--|
| 2.03 | Civil Penalties |
| 2.05 | Procedure for Contested Cases |
| 2.08 | Office of the Metro Attorney |
| 3.06.010 | Policy and Purpose (Planning Procedures for Designating Functional Planning Areas and Activities) |
| 3.06.020 | Procedures and Implementation |
| 3.07.010 | Purpose (Urban Growth Management Functional Plan) |
| 3.07.020 | Regional Policy Basis |
| 3.07.030 | Structure of Requirements |
| 3.07.110 | Purpose and Intent (Requirements for Housing and Employment Accommodation) |
| 3.07.120 | Housing and Employment Capacity |
| 3.07.130 | Design Type Boundaries Requirement |
| 3.07.140 | Measures to Increase Development Capacity |
| 3.07.150 | Transfer of Capacity |
| 3.07.160 | Local Plan Accommodation of Expected Growth Capacity for Housing and Employment – Performance Standard |
| 3.07.170 | Design Type Density Recommendations |
| 3.07.420 | Protection of Regionally Significant Industrial Areas |
| 3.07.430 | Protection of Industrial Areas |
| 3.07.610 | Purpose and Intent (Central City, Regional Centers, Town Centers and Station Communities) |
| 3.07.620 | Local Strategy to Improve Centers |
| 3.07.630 | Special Transportation Areas |
| 3.07.640 | Government Offices |
| 3.07.650 | Reporting on Center Progress |
| 3.07.710 | Intent (Affordable Housing) |
| 3.07.730 | Requirements for Comprehensive Plan and Implementing Ordinance Changes |
| 3.07.740 | Requirements for Progress Report |
| 3.07.750 | Metro Assessment of Progress |
| 3.07.760 | Recommendations to Implement Other Affordable Housing Strategies |
| 3.07.810 | Compliance with the Functional Plan |
| 3.07.820 | Compliance Review by the Chief Operating Officer |
| 3.07.830 | Review of Compliance by Metropolitan Policy Advisory Committee |
| 3.07.840 | Review by Metro Council |
| 3.07.850 | Extension of Compliance Deadline |
| 3.07.860 | Exception from Compliance |
| 3.07.870 | Enforcement of Functional Plan |
| 3.07.880 | Compliance Report and Order |
| 3.07.910 | Intent (Performance Measures) |
| 3.07.920 | Performance Measurement |
| 3.07.1310 | Intent (Nature in Neighborhoods) |
| 3.07.1320 | Inventory and Habitat Conservation Areas |
| 3.07.1330 | Implementation Alternatives for Cities and Counties |
| 3.07.1340 | Performance Standards and Best Management Practices for Habitat Conservation Areas |
| 3.07.1350 | Claims Pursuant to ORS 197.352 (Measure 37) |
| 3.07.1360 | Program Objectives, Monitoring and Reporting |
| Table 3.07-13a | Method for Identifying Habitat Conservation Areas (“HCA”) |
| Table 3.07-13c | Habitat-friendly Development Practices |
| Table 3.07-13d | Locating Boundaries of Class I and II Riparian Areas |
| Table 3.07-13e | Performance and Implementation Objectives and Indicators |

Metro Charter

| | |
|------------|--|
| Section 3 | Boundaries |
| Section 4 | Jurisdiction of Metro |
| Section 5 | Regional Planning Functions |
| | (1) Future Vision |
| | a. Adoption |
| | b. Matters Addressed |
| | c. Development |
| | d. Review and Amendment |
| | e. Effect |
| | (2) Regional Framework Plan |
| | a. Adoption |
| | b. Matters Addressed |
| | c. Effect |
| | d. Amendment |
| | e. Implementation |
| | (3) Priority and Funding of Regional Planning Activities |
| | (4) Protection of Livability of Existing Neighborhoods |
| | a. Livability Protection |
| | b. Density Increase Prohibited |
| | c. Report on Effects of Proposed Urban Growth Boundary Amendment |
| | d. Implementation |
| Section 6 | Other Assigned Functions |
| Section 7 | Assumption of Additional Functions |
| | (1) Assumption Ordinance |
| | (2) Assumption of Local Government Service Function |
| | (3) Assumption of Other Service Functions |
| | (4) Boundary Commission Functions |
| Section 9 | General Grant of Powers to Carry Out Functions; Construction of Specified Powers |
| Section 16 | Metro Council |
| | (1) Creation and Powers |
| | (4) Presiding Officer, Council President |
| | a. Presiding Officer |
| | b. Council President |
| | (5) Annual Organizing Resolution |
| | (6) Council Meetings |
| | (7) Quorum |
| Section 26 | Metro Policy Advisory Committee |
| Section 27 | Metro Office of Citizen Involvement |
| Section 34 | Amendment and Revision of Charter |
| Section 36 | Adoption by Council |
| Section 44 | State Legislation |

Category Three – Cited regulations that are exempt under ORS 197.352 (Measure 37)

Metro Code

| | |
|----------|---|
| 3.07.310 | Intent (Water Quality, Flood Management and Fish and Wildlife Conservation) |
| 3.07.320 | Applicability |
| 3.07.330 | Implementation Alternatives for Cities and Counties |
| 3.07.340 | Performance Standards |
| 3.07.350 | Fish and Wildlife Habitat Conservation Area |
| 3.07.360 | Metro Model Ordinance Required |

- 3.07.370 Variances
- Table 3.07-13a Method for Identifying Habitat Conservation Areas (“HCA”)
- Table 3.07-13c Habitat-friendly Development Practices
- Table 3.07-13d Locating Boundaries of Class I and II Riparian Areas
- Table 3.07-13e Performance and Implementation Objectives and Indicators

Category Four – Cited regulations that apply to and restrict the use of the subject property

Metro Code

- 3.07.210 Intent (Regional Parking Policy)
- 3.07.220 Performance Standard
- 3.07.410 Purpose and Intent (Industrial and Other Employment Areas)
- 3.07.440 Protection of Employment Areas

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 Code sections 3.07.210, 3.07.220, 3.07.410, and 3.07.440 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.

Metro Council applied Metro Code sections 3.07.210, 3.07.220, 3.07.410, and 3.07.440 to claimant’s property on February 19, 1997, the effective date of the Urban Growth Management Functional Plan, adopted by Ordinance No. 96-647C on November 21, 1996. These regulations were adopted prior to the effective date of Measure 37 (December 2, 2004).

Conclusions of Law

Metro adopted the regulation that gives rise to this claim prior to the effective date of Measure 37, and claimant 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 states that they acquired an ownership interest in the 7.77-acre subject property on various dates (specified in the claim) in 1919, 1924, 1934, 1935, and 1946. Attachment 1 is a site map of the subject property (ATTACHMENT 1).

Conclusions of Law

The claimant, Oregon Worsted Company, is owner of the subject property as defined in the Metro Code.

2. Zoning History

Findings of Fact

Claimant provided no zoning information for the subject property. The subject property is currently zoned EG2 (General Commercial 2) by the City of Portland.

3. Applicability of a Metro Functional Plan Requirement

Findings of Fact

The subject property is designated an Employment Area. As an Employment area, the subject property is subject to sections 3.07.410 (“Industrial and Employment Areas – Purpose and Intent”) and 3.07.440 (“Protection of Employment Areas”) of the Metro Code. Code section 3.07.440 states that a city or county shall not approve a commercial retail use in an Employment Area with more than 60,000 square feet of gross leasable area in one building, or on a single lot or parcel, or on contiguous lots or parcels. This code section, however, provides cities and counties with the ability to approve such uses under certain circumstances.

Metro Code section 3.07.440.D states that a city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize commercial retail uses with more than 60,000 square feet of gross leasable area in that zone if:

1. The ordinance authorized those uses on January 1, 2003;
2. Transportation facilities adequate to serve the commercial retail uses will be in place at the time the uses begin operation; and
3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area over the planning period.

Metro Code section 3.07.440E states that a city or county may authorize new commercial retail uses with more than 60,000 square feet of gross leasable area in Employment Areas if the uses:

1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
2. Meet the Maximum Permitted Parking – Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.

Claimant did not address these potential exemptions in their claim.

The claimant’s proposal contemplates the construction of new parking places. Thus, sections 3.07.210 and 3.07.220 (“Regional Parking Policy”) of the Metro Code would apply to the property. These code sections establish minimum and maximum parking space ratios. These code sections also allow cities and counties to issue variances to these parking ratios.

Metro Code section 3.07.220.A.3 states that cities and counties shall establish an administrative or public hearing process for considering ratios for individual or joint developments to allow a variance for parking

when a development application is received which may result in approval of construction of parking spaces either in excess of the maximum parking ratios; or less than the minimum parking ratios. Metro Code section 3.07.220.B provides further possibilities for exemptions, stating that parking spaces in parking structures, fleet parking, parking for vehicles that are for sale, lease, or rent, employee car pool parking spaces, dedicated valet parking spaces, spaces that are user paid, market rate parking or other high-efficiency parking management alternatives may be exempted from maximum parking standards by cities and counties.

Claimant did not specify how many parking spaces are contemplated for the proposed use of the property. Claimant also did not address the potential exemptions and variances to parking space restrictions cited above.

Conclusions of Law

Sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220 of the Metro Code apply to the subject property and became applicable after the claimant acquired the property. These Metro Code sections allow for exemptions and variances to their restrictions.

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 Metro Code sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220 have 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, Richard Benner, and Ted Reid from Sonny Conder and Karen Hohndel dated April 23, 2007 (Conder Memo)).

Claimant's assertion of potential value is based upon a preliminary estimate of value provided by a licensed MAI appraiser. No copy of the preliminary estimate of value was included with the claim. Claimant does not indicate the diminution in value attributable to each cited regulation.

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

| | |
|--------------------------------------|--------------------|
| Current FMV: | not provided |
| Claimant assertion of potential FMV: | not provided |
| Claimed reduction in FMV: | \$4,460,000 |

Conclusions of Law

The Conder Memo provides an 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, "big box" development (over 60,000 square feet of commercial retail) would have been allowable on the property.

Under the "after" scenario (current regulatory setting), the property is designated as an Employment Area and, as such, is subject to Metro Code section 3.07.440. The comparable sales method assumes that the

property may be used for a variety of retail, service, and commercial purposes (on the buildable portions of the subject property).

Tables 2 and 3 of the Condor Memo compare 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 tables show that the FMV of the property under existing regulations exceeds the value of the property were it used for a "big box" development. The analysis using this methodology indicates that the current regulatory setting has not reduced the FMV of the subject property.

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 application of the disputed regulations. The data are displayed in Table 4 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 February 19, 1997, 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 February 19, 1997, 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 the disputed regulations became applicable.

Property value data indicate that Metro's action to apply Metro Code sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220 did not reduce the FMV of the property.

5. Exemptions under ORS 197.352(3)

Findings of Fact

Metro Code sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220 do not restrict or prohibit a public nuisance, the selling of pornography or nude dancing, are not intended to protect public health or safety, and are not required to comply with federal law.

Metro Code Sections 3.07.310 thru 3.07.370 apply to a portion of the property.

ORS 197.352(3)(B) exempts land use regulations "Restricting or prohibiting activities for the protection of public health and safety, such as fire and building codes, health and sanitation regulations, solid or hazardous waste reduction, and pollution control regulations...."

Metro Code Sections 3.07.310 through 3.07.370 are intended to protect public health and safety, including water quality from pollution.

ORS 197.352 (3)C states that the statute does not apply to land use regulations that are required to comply with federal law.

Metro Code Sections 3.07.310 through 3.07.370 are intended to comply with the federal Clean Water Act.

Conclusions of Law

Metro Code sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220 are not exempt under ORS 197.352(3).

Metro Code sections 3.07.310 through 3.07.370 are exempt 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.

Conclusions of Law

Based on the record, the claimants have not established that they are entitled to relief in the form of compensation or waiver of Metro Code sections 3.07.410, 3.07.440, 3.07.210, and 3.07.220.

Recommendation of the Chief Operating Officer

The Metro Council should deny the Oregon Worsted Company claim for the reason that the cited Metro regulations did not reduce the value of the subject property.

ATTACHMENTS TO THE REPORT OF THE CHIEF OPERATING OFFICER

Attachment 1: Site Map of Oregon Worsted Company property


Attachment 2: Metro Memorandum to Ray Valone and Richard Benner from Sonny Conder and Karen Hohndel, "Valuation Report on the Oregon Worsted Measure 37 Claim," dated April 23, 2007

Attachment 3: Sample Area for Oregon Worsted Measure 37 Claim

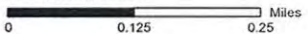
Attachment 4: Oregon Worsted Company Measure 37 Claim Submittal to Metro

Resolution No. 07-3803
Attachment 1 COO Report

Site Map Oregon Worsted 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.

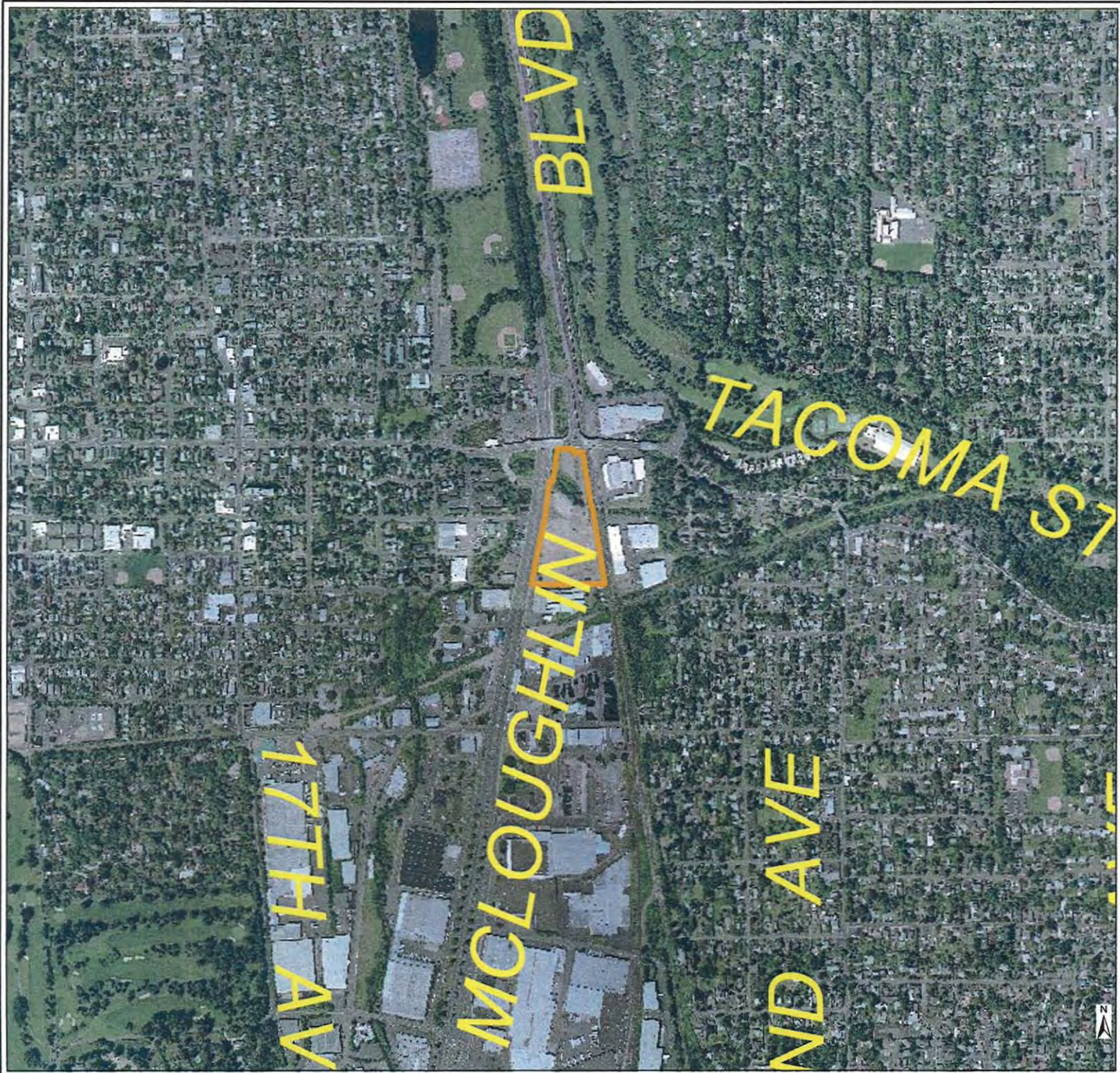
1 inch equals 0.19 miles

0 0.125 0.25 Miles



Location Map



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



April 23, 2007

To: Ray Valone
Richard Benner
Ted Reid

From: Sonny Conder
Karen Hohndel

Subject: Valuation Report on the Oregon Worsted Measure 37 Claim

Conclusion:

Per your request we have conducted a valuation analysis of the Oregon Worsted Measure 37 Claim. The Metro designation of ‘employment’ applies to the Oregon Worsted property. We conclude, using the comparable sales method of determining possible reduction in value that the Metro action of applying the Urban Growth Management Functional Plan since 1996 and designating the property ‘employment’ did not produce a material loss of value for the subject property¹. In all likelihood, the action was neutral with respect to property value.

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 tax lot. All comparably sized and situated properties surrounding the subject property during the 1996 through 2006 period have experienced increases in value.

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

Conceptual Understanding for Basis of Oregon Worsted Property Value Analysis:

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

1. Estimate the fair market value of the property subject to the regulation that the claimant contends has reduced the value of his property.
2. Estimate the fair market value 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.

When applied to the Oregon Worsted Claim, both 1. and 2. require considerable interpretation. First the present Oregon Worsted Claim cites regulations associated with the Metro “employment” designation as causing value losses totaling \$4,460,000. The basis of the claim is

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.

the apparent frustration of a plan to develop the property into a 150,000 sq. ft. multi-level retail project. Though almost all Metro regulations and designations are cited as reducing value, we presume that the Metro regulation preventing the development of over 60,000 sq. ft. of leaseable area in a single building, or on a single lot or parcel, or on adjacent parcels (“big box”) produces the asserted loss of property value.

In this regard, we point out that the Metro regulations per se do not prevent and indeed (additional designation of Station Area) encourage development on the site that would include multi-level residential, retail, service, and commercial in a mixed use configuration. What the Metro regulations prohibit is a particular design configuration with commercial uses exceeding 60,000 sq. ft. that Metro regards as incompatible with its overall land use designation of ‘employment’.

Given the above information, what we want to test is whether the 7.77-acre property is any more valuable with the ability to do “big box” development than without the ability to do “big box” (over 60,000 square feet of commercial retail) development. Stated another way does “big box” development command higher land prices than surrounding multi use residential and retail/service development where the square footage of commercial does not exceed 60,000 sq. ft.?

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 Jaeger², economists at 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.

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). 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, (1996), 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.

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 first regulatory action was taken in 1997, we have actual before (1996 values) and after (2006 values) data to determine whether the subject property experienced a loss of value after Metro's action. In this case we are able to make these observations for the entire class of subject properties within the surrounding McLaughlin corridor for the class of properties designated general commercial and industrial in 1996 and 2006. We also measure the claimant's property for the amount of value change between 1996 and 2006.

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.

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 both employment and the default use of employment allowing "big box" development (over 60,000 square feet of commercial retail uses) assuming health and safety regulations are enforced.
- Estimate value of property assessor values for land in station corridor areas with mixed use but total commercial square footage not exceeding 60,000 sq. ft.
- Based on allowable use of the property with the default development of "big box" determine the alternative value of the property.
- Provide an alternative determination of loss of value of the Oregon Worst property based property value data before and after Metro's regulatory action.
- Provide and compare estimates of the value of the subject property as of 2006 with Metro's employment designation versus our default assumption of "big box".

Oregon Worst Property Description

The subject property consists of 1 tax lot totaling 7.77 acres that are subject to the Measure 37 claim. The property is located at 8300 SE McLoughlin on the east side of the street between the

Attachment 2 to COO Report

Springwater Corridor overpass and the Johnston Creek Boulevard overpass. Of the 7.7 acre property Johnston Creek and its associated flood plain cut off the northern 2.2 acres of the property yielding a total of roughly 5.5 acres of gross buildable land. Access to the property is presently available from an on/off ramp connected to the Johnston Creek overpass facility. On the east side the property abuts the main north south rail line into the region. Multnomah County Assessor data show the 7.77 acre tax lot as having a FMV land value of \$2,681,340. Prior to 2005 the property contained an industrial improvement but this was demolished and the tax lot is presently vacant.

The present configuration of the property poses substantive challenges to intensive development. This property is situated in an area that has experienced significant transportation investment with the aim of moving traffic through the area; not into and out of the area. Site access concerns have been dominated by the present use of much of the area (particularly south of Springwater Corridor) by industrial and some scattered highway commercial. Attempting to accommodate traffic levels associated with intensive development will prove challenging and perhaps expensive for all intensive uses.

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.

Land Value Estimates – 7.77 Acre Property as ‘Employment’ and as ‘Big Box’

As noted above, the Oregon Worsted property has the “employment” design type and the default use is presumably “big box”. We regard the market value of the property to presently be equal to the average of the FMV land value for mixed use residential and commercial at 3 sites in East County surrounding light rail stations.

We take “big box” uses to represent the default absent the regulations being contested. As noted earlier in this instance we are interested in determining if “big box” land uses command a higher value than more common retail/service configurations in the same locations. Secondly, we need to recognize that any estimate of land value in this particular site discounts the cost of providing access for intensive uses.

Current Value Estimate of Employment Land in the McLoughlin Corridor Area

Table 1: Summary Property Value Data – McLoughlin Highway Industrial/Commercial Corridor Surrounding Claimant’s Property– Assessor’s FMV 2006.

| | |
|------------------------------|--------------|
| Land value: | \$12,456,977 |
| Number of properties: | 55 |
| Total acres in sample: | 42.7 |
| Average land value per acre: | \$291,742 |

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We note that the assessor’s FMV for land for the subject property amounts to \$345,000 per acre in industrial use. It is significant that commercial uses in this part of the McLoughlin Corridor do not necessarily command higher values than do industrial uses. The available data suggest that the present commercial uses command a land value of roughly \$300,000 per acre.

Table 2 presents data taken from 3 partly developed station area sites along the East County Light Rail Line that permit the type of mixed use development allowable on the Oregon Worsted site. Development on these sites has a mix of commercial, retail/service and residential. No site has in excess of 60,000 sq. ft. of commercial space. Development ranges from vacant to multi-story residential and commercial.

Table 2: Three Sites with Allowable Mixed Use Development

| Station Area | 148th Burnside | 162nd Burnside | 181st Burnside |
|---------------------|----------------------------------|----------------------------------|----------------------------------|
| Acres | 18.1 | 15.1 | 21.6 |
| Land Value per Acre | \$402,200 | \$394,300 | \$388,600 |

As shown above, uses allowed under Metro’s ‘employment’ designation command land values of approximately \$400,000 per acre.

Current Value Estimate of ‘Big Box’ on the Site

To determine the value of “Big Box” we first need to determine if “Big Box” uses command a land value premium or discount relative to other retail/service/commercial uses. To do this we examined assessor’s records for the “Big Box” outlets for Cost Co at Clackamas Promenade off 82nd, Wal Mart at 82nd and Holgate (Eastport Plaza) and Wal Mart at 82nd and Otty Road. These 3 locations have “Big Box” outlets of approximately 150,000 sq. ft. in locations similar to the Oregon Worsted property and also surrounded by retail/service/commercial uses of multiple sizes and ownerships. Table 2 depicts the value of the “big box” properties compared to surrounding properties.

Table 3: Big Box Land Values Compared to Surrounding Properties

| Big Box Properties | Cost Co. | Wal Mart EP | Wal Mart Otty Rd |
|--------------------------------|-----------------|--------------------|-------------------------|
| Acres | 20.5 | 12.6 | 13.7 |
| Facility Sq. Ft. | 150,000 | 150,000 | 150,000 |
| Land Value per Acre | \$409,200 | \$779,100 | \$312,000 |
| Surrounding Real Estate | | | |
| No. of Properties | 21 | 22 | 23 |
| Acres | 48.9 | 34.5 | 23.7 |
| Land Value per Acre | \$576,600 | \$783,300 | 458,600 |
| Ratio Big Box/Surround | 0.71 | 0.99 | 0.68 |

Attachment 2 to COO Report

The data indicate that “Big Box” uses per se do not command a land price premium relative to their surrounding uses. If anything, they have a lower value per acre than smaller and more diverse retail/service establishments within the same commercial complex. Consistent with these data there is no reason to presume a higher value for “Big Box” than for other presently permitted land uses on the Claimant’s property. Indeed, if averages are indicative, we should presume a “Big Box” value of about 79% of the value of other permitted uses. Also note that the site sizes of “Big Box” locations are all over twice as large as the available 5.5 acres on the claimant’s property. As noted in the claim this requires a multi-story construction. Typically, the land values of sites with special construction costs are discounted to offset these additional costs. We would expect at least a 15% price discount on the land to account for the additional construction costs.

Compared to our sample of allowed uses, the “Big Box” land values bracket our data. The Eastport Plaza land values are higher, reflecting their location in an established major shopping center with a combination of Metro designations including ‘corridor’, ‘main street’ and ‘inner neighborhood’. The Otty Road Wal Mart property value is less than our comparables while the Cost Co. land values for “Big Box” are roughly the same as our comparables. The Otty Road site is designated ‘inner neighborhood’ and the Cost Co. site is designated ‘station community’. Though much larger, the Cost Co. site has a Metro land use designation similar to the claimant’s site, so we take the Cost Co. land value to be the best estimate for Big Box use.

Data indicate that “Big Box” uses do not command a higher value than surrounding land uses nor do the value per acre for “Big Box” uses surpass on average, the value of uses allowable with Metro’s ‘employment’ designation.

Alternative Valuation of Oregon Worst Property Using the Time Trend Method Suggested by Plantinga and Jaeger.

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 changes began in 1997, we have tabulated land values in 1996 for all commercial and industrial zoned properties in the McLoughlin corridor surrounding the claimant’s property and again in 2006 to determine whether the Oregon Worst property actually experienced a loss of value during the years subject to various Metro regulations.

Table 3 below depicts the results for the year 1996 and for the year 2006 for over 55 properties zoned industrial and commercial within the McLoughlin corridor. We also show the claimant’s property for the same years and the average annual percent increase.

Table 4: McLoughlin Commercial - Industrial Corridor Land Values 1996 and 2006 – Average per Acre

| Year | All Surrounding Property | Oregon Worst Property |
|------|--------------------------|-----------------------|
|------|--------------------------|-----------------------|

Attachment 2 to COO Report

| | | |
|-------------------------|-----------|-----------|
| 1996 | \$126,500 | \$152,700 |
| 2006 | \$291,700 | \$345,100 |
| % Average Annual Growth | 8.7% | 8.5% |

The assessor's market land value increases within the study area about 8.5% per year between 1996 and 2006. There is no evidence that Metro's regulations have resulted in any loss of property value. The data support exactly the opposite effect.

Table 5: Comparison of Estimated Market Value of Land for McLoughlin Corridor Employment and for "Big Box"

Employment

Employment station areas FMV per Acre : \$400,000

"Big Box" Use

Land value of Cost Co. site: \$409,200

(Less discount for multiple stories of 15%): (61,400)

Net Land Value per acre for "big box" Use: \$347,800

We estimate the current land value of the Oregon Worsted property with no additional site improvements to be \$3,108,000. The same property used as "Big Box" would yield \$2,702,400. In other words, the default valuation without the contested regulations is less than the valuation with allowable mixed uses. There is no evidence that the ability to construct "Big Box" on the site would enhance the property's 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 8.5% per year since 1996. Clearly, under no circumstances has any regulatory change to the Oregon Worsted 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.

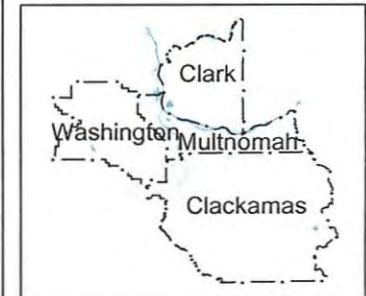
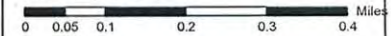
Resolution No. 07-3803
Attachment 3 COO Report

Sample Area for Oregon Worsted Measure 37 Claim

--- County Line
■ Sample Area

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.

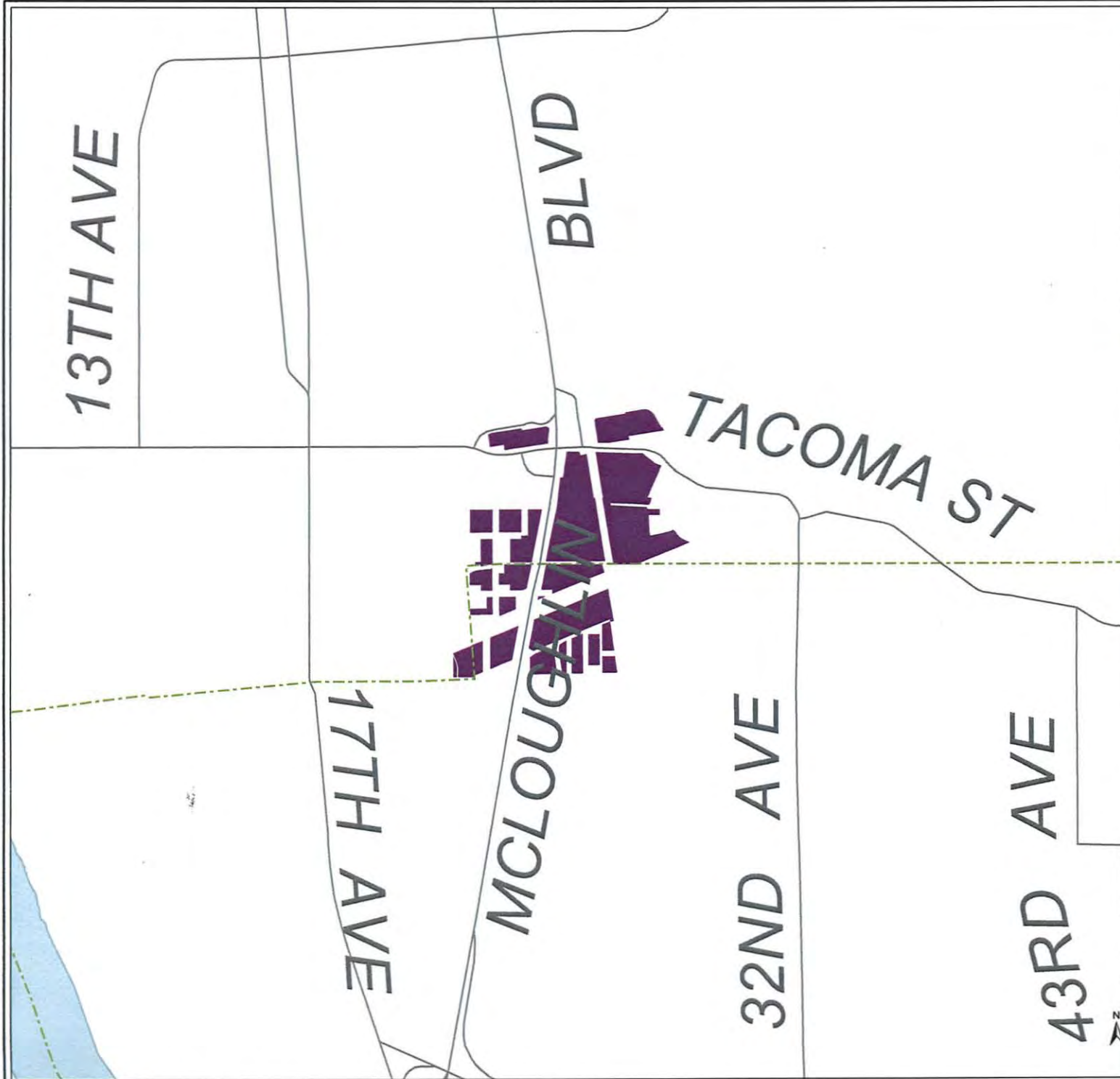
1 inch equals 0.24 miles



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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DONALD JOE WILLIS
Direct Line: Portland (503) 796-2929; Bend (541) 749-4012
E-Mail: jwillis@schwabe.com

November 28, 2006

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Metro
c/o Mr. Dan Cooper, Metro Attorney
600 NE Grand Ave.
Portland, OR 97232

Metro Council
c/o Mr. David Bragdon, Council President
600 NE Grand Ave.
Portland, OR 97232-2736

Re: Measure 37 Claim for Oregon Worsted Co.

Dear Metro:

This firm, through D. Joe Willis, represents Oregon Worsted Company, an Oregon corporation, and is submitting this written demand for just compensation on its behalf pursuant to Measure 37.

Oregon Worsted acquired the majority of the property commonly known as 8300 SE McLoughlin Boulevard in 1919. Smaller portions of the property were acquired in 1924, 1934, 1935, and 1946. Oregon Worsted has maintained a continuous interest in the property since these acquisitions. Pertinent corporate and title documents are enclosed as Exhibit A.

Oregon Worsted intends to develop the property with all uses allowed when it was acquired, including residential, retail, office, and industrial uses of all types, with ample signage, utilities, access, parking, loading and circulation, without the need for a land use review or land use approval. We have identified Title 4 of the Urban Growth Management Functional Plan, and other Metro land use regulations currently in effect which were enacted after Oregon Worsted acquired the property, and which restrict the use and reduce the value of the property. These land use regulations are listed in Exhibit B to this letter. These land use regulations, and perhaps others, have been enforced against this property, when Oregon Worsted recently obtained a Tier B zoning confirmation letter from the City of Portland. Metro had no land use regulations when these properties were acquired.

Portland, OR 503-222-9981 | Salem, OR 503-339-7712 | Bend, OR 541-749-4044
Seattle, WA 206-822-1711 | Vancouver, WA 360-894-7551 | Washington, DC 202-488-4302

Metro
Metro Council
November 28, 2006
Page 2

Please note that the Metro land use regulations listed in Exhibit B are those which we have been able to identify at this time. It is not clear that every provision of these regulations would apply to Oregon Worsteds' intended use as stated herein. We believe that the list in Exhibit B is an adequate characterization of the land use regulations causing the restriction of use and reduction in value for the property, though it is possible that additional land use regulations apply. To the extent that the regulations listed in Exhibit B do not fully capture all land use regulations preventing Oregon Worsteds from enjoying all uses available at the time of acquisition, Oregon Worsteds reserves the right to seek relief from, or base the compensation claim on, additional applicable land use regulations. Additionally, due to the novelty of Measure 37 and the claims of Oregon Worsteds thereunder, we reserve the right to amend or supplement this claim as necessary to satisfy the construction and application of Measure 37. Our position is that any land use regulation (as defined in Measure 37) that prohibits or impairs a property owner's ability to use the property as described above would reduce the value of the property. Under Measure 37, the compensation claim must be paid or ultimately the owner shall be allowed to use the property as permitted at the time of acquisition.

Oregon Worsteds' counsel engaged a licensed MAI appraiser to provide a preliminary estimate of the amount of just compensation pursuant to Measure 37. The compensation shall be equal to the reduction in the fair market value of the affected property interest resulting from enactment or enforcement of the land use regulations as of the date of written demand for compensation under Measure 37. The preliminary appraisal assumes a 150,000 square foot multilevel retail project. Based on this preliminary appraisal, the just compensation figure is \$4,460,000. Oregon Worsteds respectfully demands that this compensation be paid pursuant to Measure 37.

Please note the aforementioned amount of compensation is based on the value lost due to the restrictions on a retail development. If Metro is unwilling to remove the regulations, and Oregon Worsteds is compelled to seek just compensation, please be aware that a new just compensation figure may be derived based on the most intensive use of the property allowed at the time of acquisition, which may exceed the compensation estimated above.

In lieu of payment of just compensation, Oregon Worsteds would welcome removal of the land use regulations currently in effect, so long as the removal is transferable to subsequent owners and the subsequent owners would be authorized to develop the property as described above.

The claimant is aware that Metro adopted Chapter 2.21 of the Metro Code regarding Measure 37. This written demand for just compensation is not made pursuant to that Chapter, nor is it limited to regulations enacted prior to December 2, 2004. Measure 37 claimants are provided a cause of action for compensation if a land use regulation continues to apply to the subject property more than 180 days after the present owner of the property has made written demand for compensation. Under subsection 7 of Measure 37, the procedures adopted by Metro cannot act as a prerequisite to filing a compensation claim in Circuit Court pursuant to subsection 6 of Measure 37.



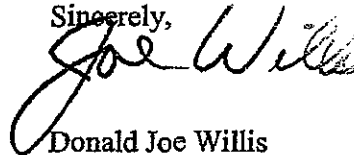
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The property is also subject to land use regulations enacted and enforced by the City of Portland and the State of Oregon, and appropriate written demands for just compensation have been submitted to them. We intend to coordinate resolution of those claims with this claim, and encourage Metro to contact us at the earliest possible time to discuss possible resolution of this claim.

We do hope that Metro will act promptly, fairly and responsibly to provide the Oregon Worsted Company the clear benefit it is entitled to under Measure 37.

Please let me hear from you at your earliest convenience. I hope this matter can be resolved without the need for litigation.

Sincerely,



Donald Joe Willis

JW:js
Enclosures
cc: Howard Dietrich



EXHIBIT B TO OREGON WORSTED MEASURE 37 CLAIM**METRO****REGIONAL FRAMEWORK PLAN****Policies:**

- 1.1 Urban Form
- 1.2 Built Environment
- 1.6 Growth Management

These land use regulations were enacted after Oregon Worsted acquired the property. These three policies compel specific types of development within the urban growth boundary, and include proscriptions for restrictions on various land uses, in order to compel compliance with the 2040 Growth Concept, which restricts the type of development proposed. They reduce the property value because the property uses allowed under these regulations are less valuable economically than the proposed uses.

- 1.10 Urban Design
- 1.11 Neighbor Cities

These land use regulations were enacted after Oregon Worsted acquired the property. These policies restrict auto-oriented development and uses which generate new automobile trips; whereas the patrons of the proposed development will mostly rely on autos for trips to and from the project. They reduce the property value because the property uses allowed under these regulations are less valuable economically than the proposed uses.

- 2.1 Intergovernmental Coordination
- 2.2 Consistency between Land Use and Transportation Planning
- 2.4 System Objectives
- 2.6 Urban Form
- 2.11 Street Design
- 2.12 Motor Vehicle Transportation
- 2.18 Transportation Demand Management
- 2.20 Right-of-Way Opportunities
- 2.21 Adequacy of Transportation Facilities
- 2.24 Natural Environment
- 2.28 Motor Vehicle Level of Service
- 2.30 Local Street Connectivity

These land use regulations were enacted after Oregon Worsted acquired the property. These policies restrict auto-oriented development and uses which generate new automobile trips; whereas the patrons of the proposed retail project will mostly rely on autos for trips to and from the project. They reduce the property value because the property uses allowed under these regulations are less valuable economically than the proposed uses.

- 3.1 Inventory of Park Facilities and Identification and Inventory of Regionally Significant Parks, Natural Areas, Open Spaces, Trails and Greenways
 - 3.2 Protection of Regionally Significant Parks, Natural Areas, Open Spaces, Trails and Greenways
 - 3.3 Management of the Publicly-Owned Portion of the Regional System of Parks, Natural Areas, Open Spaces, Fish and Wildlife Habitat, Trails and Greenways
 - 3.5 Provision of Community and Neighborhood Parks, Open Spaces, Natural Areas, Trails and Recreation Programs
- Identification and Inventory of the Regional System
 Protection of the Regional System
 Management of the Regional System
 Goal 5

These land use regulations were enacted after the property was acquired by Oregon Worsted. They restrict the proposed use in some areas of the property, effectively taking those areas for public use without just compensation. They reduce the property value by reducing the area available for project uses such as parking and circulation.

4.5 Urban Planning and Natural Systems

This land use regulation was enacted after the property was acquired by Oregon Worsted. This section restricts the proposed uses in some areas of the property, effectively taking those areas for public use without just compensation. It reduces the property value by reducing the area available for project uses such as parking and circulation.

- 7.3 Applicability of Regional Framework Plan Policies
- 7.5 Functional Plans
- 7.6 Periodic Review of Comprehensive Land Use Plans
- 7.7 Implementation Roles
- 7.8 Performance Measures
- 7.9 Monitoring and Updating

These land use regulations were enacted after the property was acquired by Oregon Worsted. These regulations and criteria restrict the proposed uses by mandating compliance with a wide variety of procedures, which effectively prevent the City of Portland from changing its land use regulations to allow the proposed uses. See for example Policy 7.5.2, which requires changes in city comprehensive plans to achieve compliance with the Regional Framework Plan. These procedures reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

METRO CODE**CHAPTER 1.01
CODE ADOPTION AND APPLICATION**

- 1.01.001 Code Adoption
- 1.01.040 Definitions
- 1.01.050 Grammatical Interpretation
- 1.01.060 Construction
- 1.01.110 Violations and Penalties

**TITLE II
ADMINISTRATION AND PROCEDURES**

- 2.01 Council Organization and Procedures
- 2.03 Civil Penalties
- 2.05 Procedure for Contested Cases
- 2.08 Office of Metro Attorney

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. These general provisions restrict the proposed uses by giving Metro the authority to establish land use regulations that take precedence over local land use regulations. They reduce the property value by giving the Metro the authority to prohibit the proposed uses.

**CHAPTER 3.06
PLANNING PROCEDURE FOR DESIGNATING
FUNCTIONAL PLANNING AREAS AND ACTIVITIES**

- 3.06.010 Policy and Purpose
- 3.06.020 Procedures and Implementation

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. They give Metro the authority to restrict the proposed retail project, and reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

**CHAPTER 3.07
URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN**

- 3.07.010 Purpose
- 3.07.020 Regional Policy Basis
- 3.07.030 Structure of Requirements

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. They give Metro the authority to

implement the Regional Urban Growth Goals and Objectives which restrict the proposed development, and reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

TITLE 1: REQUIREMENTS FOR HOUSING AND EMPLOYMENT ACCOMMODATION

- 3.07.110 Purpose and Intent
- 3.07.120 Housing and Employment Capacity
- 3.07.130 Design Type Boundaries Requirement
- 3.07.140 Measures to Increase Development Capacity
- 3.07.150 Transfer of Capacity
- 3.07.160 Local Plan Accommodation of Expected Growth Capacity for Housing and Employment—Performance Standard
- 3.07.170 Design Type Density Recommendations

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. As described in the title, they restrict the proposed uses by requiring local governments to meet specified levels of housing and employment. The proposed uses are not allowed on the subject property because the subject property is designated as employment land. They reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed development.

TITLE 2: REGIONAL PARKING POLICY

- 3.07.210 Intent
- 3.07.220 Performance Standard
- Table 3.07-2 - Regional Parking Ratios

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. As described in the title, they restrict the proposed uses by requiring local governments to limit motor vehicle parking. The proposed uses may not comply with these restrictive parking limits. The regulations reduce the property value by limiting the number of patrons who can come to the development and park, which reduces the land rent.

TITLE 3: WATER QUALITY, FLOOD MANAGEMENT AND FISH AND WILDLIFE CONSERVATION

- 3.07.310 Intent
- 3.07.320 Applicability
- 3.07.330 Implementation Alternatives for Cities and Counties
- 3.07.340 Performance Standards
- 3.07.350 Fish and Wildlife Habitat Conservation Area
- 3.07.360 Metro Model Ordinance Required
- 3.07.370 Variances
- Table 3.07-3 Protected Water Features

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. They restrict the proposed uses in some areas of the property, effectively taking those areas for public use without just compensation. They reduce the property value by reducing the area available for project uses such as parking and circulation.

TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

- 3.07.410 Purpose and Intent
- 3.07.420 Protection of Regionally Significant Industrial Areas
- 3.07.430 Protection of Industrial Areas
- 3.07.440 Protection of Employment Areas
- Table 3.07-4

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. As described in the title, they restrict the proposed uses by requiring local governments to meet specified levels of employment land. Some of the proposed uses are not allowed on the subject property because the subject property is designated as employment land. The regulations reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

TITLE 6: CENTRAL CITY, REGIONAL CENTERS, TOWN CENTERS AND STATION COMMUNITIES

- 3.07.610 Purpose and Intent
- 3.07.620 Local Strategy to Improve Centers
- 3.07.630 Special Transportation Areas
- 3.07.640 Government Offices
- 3.07.650 Reporting on Center Progress

These land use regulations were enacted after Oregon Worsted acquired the property, and are ordinances that implement the Regional Framework Plan. These policies restrict auto-oriented development and uses which generate new automobile trips; whereas the patrons of the proposed development will mostly rely on autos for transportation. They reduce the property value because the property uses allowed under these regulations are less valuable economically than the proposed uses.

TITLE 7: AFFORDABLE HOUSING

- 3.07.710 Intent
- 3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes
- 3.07.740 Requirements for Progress Report
- 3.07.750 Metro Assessment of Progress
- 3.07.760 Recommendations to Implement Other Affordable Housing Strategies

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. They restrict the proposed uses by requiring specific types of housing, and by requiring a "balance" of jobs and housing. The regulations also compel the City of Portland to enact housing regulations consistent with this Title. The proposed residential uses are not be allowed on the subject property because the subject property is designated as employment land, and may not be consistent with this Title. These regulations reduce the property value because the residential uses allowed under these regulations are less valuable economically than the proposed residential uses.

TITLE 8: COMPLIANCE PROCEDURES

- 3.07.810 Compliance with the Functional Plan
- 3.07.820 Compliance Review by the Chief Operating Officer
- 3.07.830 Review of Compliance by Metropolitan Policy Advisory Committee
- 3.07.840 Review by Metro Council
- 3.07.850 Extension of Compliance Deadline
- 3.07.860 Exception from Compliance
- 3.07.870 Enforcement of Functional Plan
- 3.07.880 Compliance Report and Order

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. These regulations and criteria restrict the proposed use by mandating compliance with a wide variety of other restrictive land use regulations and procedures, which effectively prevent the City of Portland from changing its land use regulations to allow the proposed development. See for example 3.07.870, which authorizes enforcement proceedings against the City of Portland to achieve compliance with the Functional Plan. These procedures reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

TITLE 9: PERFORMANCE MEASURES

- 3.07.910 Intent
- 3.07.920 Performance Measurement

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. These regulations and criteria restrict the proposed use by mandating evaluation and changes to various regional plans if the goals of those plans are not being met; that is, if development is not occurring in the form mandated by Metro regulations. These procedures reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

TITLE 13: NATURE IN NEIGHBORHOODS

- 3.07.1310 Intent
- 3.07.1320 Inventory and Habitat Conservation Areas
- 3.07.1330 Implementation Alternatives for Cities and Counties

- 3.07.1340 Performance Standards and Best Management Practices for Habitat Conservation Areas
- 3.07.1350 Claims Pursuant to Oregon Laws 2005, Chapter 1
- 3.07.1360 Program Objectives, Monitoring and Reporting

Table 3.07-13a - Method for Identifying Habitat Conservation Areas ("HCA")

Table 3.07-13c - Habitat-friendly Development Practices

Table 3.07-13d - Locating Boundaries of Class I and II Riparian Areas

Table 3.07-13e - Performance and Implementation Objectives and Indicators

These land use regulations were enacted after the property was acquired by Oregon Worsted, and are ordinances that implement the Regional Framework Plan. They restrict the proposed uses in some areas of the property, effectively taking those areas for public use without just compensation. They reduce the property value by reducing the area available for project uses such as parking and circulation.

METRO CHARTER

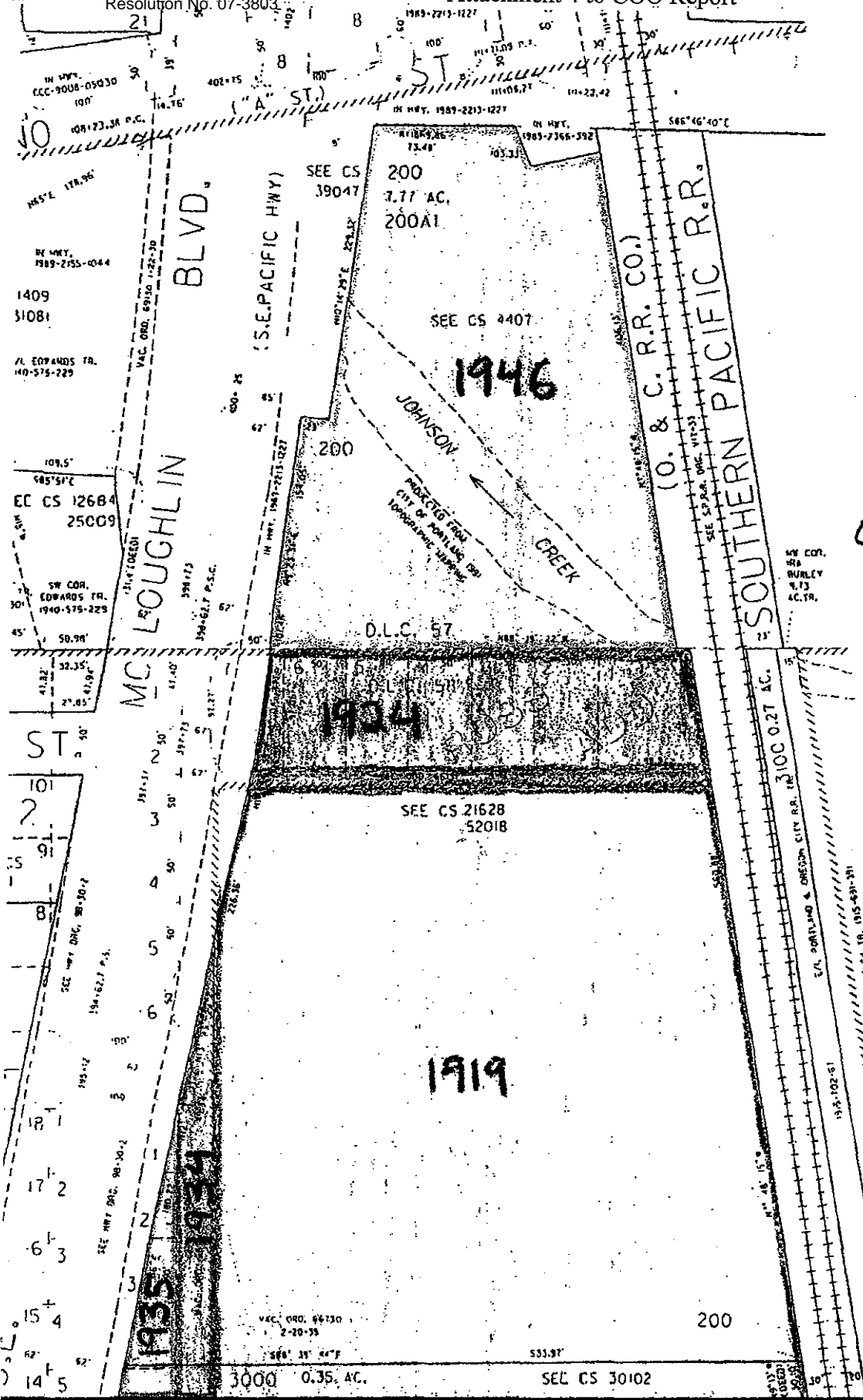
- Section 3. Boundaries
- Section 4. Jurisdiction of Metro
- Section 5. Regional Planning Functions
 - (1) Future Vision
 - (a) Adoption
 - (b) Matters Addressed
 - (c) Development
 - (d) Review and Amendment
 - (e) Effect
 - (2) Regional Framework Plan
 - (a) Adoption
 - (b) Matters Addressed
 - (c) Effect
 - (d) Amendment
 - (e) Implementation
 - (3) Priority and Funding of Regional Planning Activities
 - (4) Protection of Livability of Existing Neighborhoods
 - (a) Livability Protection
 - (b) Density Increase Prohibited
 - (c) Report on Effects of Proposed Urban Growth Boundary
- Amendment
 - (d) Implementation
- Section 6. Other Assigned Functions
- Section 7. Assumption of Additional Functions
 - (1) Assumption Ordinance
 - (2) Assumption of Local Government Service Function

- (3) Assumption of Other Service Functions
- (5) Boundary Commission Functions
- Section 9. General Grant of Powers to Carry Out Functions; Construction of Specified Powers
- Section 16. Metro Council
 - (1) Creation and Powers
 - (4) Presiding Officer, Council President
 - (a) Presiding Officer
 - (b) Council President
 - (5) Annual Organizing Resolution
 - (6) Council Meetings
 - (7) Quorum
- Section 26. Metro Policy Advisory Committee
- Section 27. Metro Office of Citizen Involvement
- Section 34. Amendment and Revision of Charter
- Section 36. Adoption by Council
- Section 44. State Legislation

This Charter was enacted after the property was acquired by Oregon Worsted. It serves as the legal authority for all the restrictive Metro land use regulations described above. They restrict the proposed use by requiring it to be consistent with a wide variety of state, regional and local regulations, when some of the proposed uses are not allowed under those regulations. The regulations reduce the property value because the uses allowed under these regulations are less valuable economically than the proposed uses.

Attachment 4 to COO Report

Resolution No. 07-3803



SEE MAP IS 'E 24C

OREGON WORSTED
ACQUISITIONS
1919-1946

BURLEY

(S.E. HARNEY ST.) VAC.
11 10 9
4
15 1E 24 CC
Multnomah

W. LINE "BURLEY"

Clackamas

Commercial Office

1000 SW Broadway, Ste. 1555 • Portland OR 97205
(503) 242-1210 • FAX: (503) 242-0770

January 28, 2005

Howard N Dietrich Jr
9701 SE McLoughlin Blvd
Milwaukie OR 97222

Mark D Whitlow
Perkins Coie LLP
1120 NW Couch, 10th Floor
Portland OR 97209

Re: Ownership documentation for
Oregon Worsted Company and
Pendleton Woolen Mills

Dear Howard and Mark:

Enclosed are copies of the documents dating back to Oregon Worsted Company's acquisition of property in 1919.

I have also included color-coded maps to help illustrate which portions of the property were acquired when and by which entity.

Some copies are not particularly legible, but contact me if you would like me to see if I can get better ones directly from Multnomah or Clackamas County.

Here is a brief summary of the chain of title:

Part One: Multnomah County 1S 1E 24CC 200

- | | |
|--------------------|---|
| March 29, 1919 | Minerva Company conveys a portion of the property to Oregon Worsted Company by Deed recorded in Multnomah County Book 773, Page 185. |
| April 23, 1924 | That Deed was also recorded in Clackamas County Book 175, Page 92. |
| May 19, 1924 | J.C. Mowery and Jenny M. Mowery conveyed a portion to Oregon Worsted Company by Deed recorded in Multnomah County Book 958, Page 389. |
| September 14, 1934 | A certified copy of the City of Portland Ordinance No. 66191 vacating an unnamed alley lying South of and adjoining the portion acquired from Mowery was recorded in Multnomah County Book 264, Page 361. |

EXHIBIT A



- July 31, 1946 Oregon Worsted Company acquired a portion from Carl C.P. Meyer and Mary T. Meyer by Deed recorded in Multnomah County Book 1083, Page 340.
- November 3, 1981 Agnes M. Ewen conveyed to Oregon Worsted Company a five foot strip of land by Deed recorded in Multnomah County Book 1559, Page 1576. Said portion was subsequently conveyed by Oregon Worsted Company to the State of Oregon, by and through its Department of Transportation, Highway Division.
- January 28, 1985 Cardinal Petroleum Co., Inc. conveyed their interest in a portion of the property to Oregon Worsted Company by Deed recorded in Multnomah County Book 1801, Page 1600. Said portion was subsequently conveyed by Oregon Worsted Company to the State of Oregon, by and through its Department of Transportation, Highway Division.

Part Two: Clackamas County 1 1E 25BB 100 and Multnomah County 1S 1E 24CC 3000

- August 1, 1956 Oregon Worsted Company conveys a portion of the property to Pendleton Woolen Mills by Deed recorded in Clackamas County Book 514, Page 704.
- August 13, 1956 That Deed was also recorded in Multnomah County Book 1799, Page 568.
- July 27, 1963 Pendleton Woolen Mills acquires a portion of the property from Alice Sielicki by Deed recorded in Clackamas County Book 694, Page 251.
- January 18, 1973 Milwaukie City Ordinance No. 1269 vacating SE 27th Avenue was recorded in Clackamas County as Document No. 73-1777.
- January 31, 1973 The City of Milwaukie conveys vacated SE 27th Avenue to Pendleton Woolen Mills by Deed recorded as Document No. 73-2911

When I can provide additional information, please feel free to contact me at 503-219-2117.

Sincerely,

TICOR TITLE INSURANCE COMPANY

Robert F. Brandon
Vice President and
Senior Title Underwriter
Commercial Division

Notary Public in and for the State of
Washington, Office at Seattle
Commission expires June 29, 1919

Doc for record Mar 31 1919 at 2:01 P M

773/185

3-29-19

C. I. #168624-

MINERVA CO TO OREGON WORSTED CO

\$50.00 DOC U S I R S (CANCELLED)

KNOW ALL MEN BY THESE PRESENTS That MINERVA COMPANY a corporation duly organized and incorporated under the laws of the State of Oregon for a good valuable and material consideration including the sum of Ten(\$10.00) Dollars to it paid by Oregon Worsted Company a corporation duly organized and incorporated under the laws of the State of Oregon does hereby grant bargain sell and convey unto said OREGON WORSTED COMPANY and assigns forever the following described parcel of real estate situate lying and being in the Counties of Multnomah and Clackamas, State of Oregon to-wit:

That certain parcel of real property situated in the County of Multnomah and State of Oregon and being a portion of the George Wills Donation Land Claim in Section Twenty-four(24) Township One (1) South Range One (1) East of the Willamette Meridian and particularly described as follows to-wit:

Beginning at an iron pipe driven in the line between Sections Twenty-four(24) and Twenty-five (25) of Township One (1) South Range One (1) East of the Willamette Meridian which iron pipe is in the west line of the right-of-way of the Oregon & California Railroad Company an Oregon corporation, passing through Ross Addition to Sellwood, formerly said right-of-way was owned by the Oregon Central Railroad Company and which right-of-way is generally known and referred to in prior conveyances of the real property herein described, as the right-of-way of the Southern Pacific Railroad Company or the Southern Pacific Railway Company being however one and the same right-of-way, running thence north 9 degrees 19 minutes west 490.9 feet along the west line of said Oregon & California Railroad Company's right-of-way to an iron pipe; thence running west 391.2 feet to an iron pipe; thence running south 481.88 feet to an iron pipe in the line between said sections Twenty-four(24) and Twenty-five(25); thence running south 89 degrees 41 minutes east along the line between said sections Twenty-four (24) and Twenty-five (25), 470.41 feet to the place of beginning, containing 5 acres of land. The said lands and the monuments thereof being particularly shown on the duly recorded map of said Ross Addition to Sellwood. Together with the tail-race, water-wheel, penstock, warehouse, picking room and pullery on said land and all the right title interest and estate of the grantor above named in and to the dam formerly used by Portland Woolen Mills and the flume running from said dam, to site of the former mill of said Portland Woolen Mills also all water and riparian rights, privileges and easements in or to the water of Johnson Creek or appurtenant to or connected with any land abutting on Johnson Creek, which said rights privileges or easements are described in and conveyed by the following described or designated conveyances or instrument to-wit:

Deed from E. L. Thompson and wife to Portland Woolen Mills dated January 12, 1903 and recorded March 31, 1903 on page 167 of Book 205 of Records of said Multnomah

773

186

County; Deed from John Adolphson and wife to said Portland Woolen Mills dated May 5, 1902 and recorded July 10, 1902 on Page 49 of Book 295 of records of Deeds of said Multnomah County; Deed from said John Adolphson and wife to E L Thompson dated May 6, 1901 and recorded January 31, 1902 on Page 46 of Book 288 of Records of Deeds of said Multnomah County; deed from Hela A Pearson and wife to said Portland Woolen Mills dated July 5, 1902 and recorded July 10 1902 on Page 401 in Book 292 of Records of Deeds of said Multnomah County; deed from said Hela A Pearson and wife to said E L Thompson dated May 6, 1901 and recorded January 31, 1902 on Page 263 of Book 285 of Records of Deeds of said Multnomah County; deed from J M Nickum and wife to said Portland Woolen Mills dated September 19, 1902 and recorded January 15, 1904 on Page 113 of Book 317 of Records of Deeds of said Multnomah County; Deed from J M Nickum and wife to said E L Thompson dated May 6, 1901 and recorded January 31, 1902 on Page 49 of Book 288 of Records of Deeds of said Multnomah County; Deed from Ira Burley and wife to said E L Thompson dated May 8, 1901 and recorded January 31, 1902 on Page 266 of Book 285 of Records of Deeds of said Multnomah County; deed from Caroline R McLeod to said E L Thompson dated May 9, 1901 and recorded January 31, 1902 on Page 4A, of Book 288 of Records of Deeds of said Multnomah County; Deed from Beth D Wills and others and Seth D Wills executor of the Last Will of Jacob Wills deceased to Portland Woolen Mills dated June 6, 1902 and recorded January 15, 1904 on page 257 of Book 316 of Records of Deeds of said Multnomah County also the rights and interests acquired by said Portland Woolen Mills from the Oregon & California Railroad Company and the Southern Pacific Company by agreement dated Oct...1901 and by agreement dated Oct ..1901

Also that certain right-of-way for a wagon road conveyed by deed from Portland Woolen Mills to Ross Wool Scouring and Manufacturing Company recorded in Book 348 page 292 Deed Records of Multnomah County, Oregon. Also all right title and interest in and to all water and riparian rights privileges and easements conveyed to said Ross Wool Scouring and Manufacturing Company by E L Thompson and wife by deed dated November 29, 1905 and recorded in Book 349 at Page 17 of the Deed Records of said County

Also the following parcel of real estate situate and being in the County of Clackamas, State of Oregon to-wit:

That certain tract of land shown by the map of Ross Addition to Sellwood containing two and a half (2½) acres more or less which lies west of the right-of-way of the Oregon & California Railroad Company an Oregon corporation, passing through said Ross Addition to Sellwood formerly said right-of-way was owned by the Oregon Central Railroad Company and which right-of-way is generally known and referred to in prior conveyances; of the real property herein described as the right-of-way of the Southern Pacific Railroad Company or the Southern Pacific Railway Company being however one and the same right-of-way and which is bounded on the east by the west line of the right-of-way of said Oregon & California Railroad Company's right-of-way passing through said Ross Addition to Sellwood; on the north by the County line between Multnomah and Clackamas Counties; on the west by the east line of 27th Street in said Ross Addition to Sellwood; on the South by the northerly boundary line of the right-of-way of the Ross Water Power Company now the right-of-way of the

and wife to said Port
 on Page 113 of Book 311
 and wife to said E. L. Thompson
 Book 286 of Records of Deeds of said Multnomah County; Deed from J M Nickum
 Records of Deeds of said Multnomah County; Deed from J M Nickum
 dated May 6, 1901 and recorded January 31, 1902 on Page 49 of
 A. L. Thompson dated May 8, 1901 and recorded January 31, 1902 on Page 266 of Book 285 of
 Records of Deeds of said Multnomah County; deed from Caroline R McLeod to said E L Thompson
 dated May 9, 1901 and recorded January 31, 1902 on Page 48, of Book 288 of Records of Deeds
 of said Multnomah County; Deed from Seth D Wills and others and Seth D Wills executor of
 the Last Will of Jacob Wills deceased to Portland Woolen Mills dated June 6, 1902 and recorded
 January 15, 1904 on page 257 of Book 316 of Records of Deeds of said Multnomah County also the
 rights and interests acquired by said Portland Woolen Mills from the Oregon & California
 Railroad Company and the Southern Pacific Company by agreement dated Oct...1901 and by
 agreement dated Oct ..1901

Also that certain right-of-way for a wagon road conveyed by deed from Portland
 Woolen Mills to Ross Wool Scouring and Manufacturing Company recorded in Book 348 page 292
 Deed Records of Multnomah County, Oregon. Also all right title and interest in and to all
 water and riparian rights privileges and easements conveyed to said Ross Wool Scouring and
 Manufacturing Company by E L Thompson and wife by deed dated November 29, 1905 and recorded
 in Book 349 at Page 17 of the Deed Records of said County

Also the following parcel of real estate situate and being in the County of
 Clackamas, State of Oregon to-wit:

That certain tract of land shown by the map of Ross Addition to Sellwood con-
 taining two and a half (2½) acres more or less which lies west of the right-of-way of the
 Oregon & California Railroad Company an Oregon corporation, passing through said Ross Addi-
 tion to Sellwood formerly said right-of-way was owned by the Oregon Central Railroad Company
 and which right-of-way is generally known and referred to in prior conveyances; of the real
 property herein described as the right-of-way of the Southern Pacific Railroad Company or the
 Southern Pacific Railway Company being however one and the same right-of-way and which is
 bounded on the east by the west line of the right-of-way of said Oregon & California Railroad
 Company's right-of-way passing through said Ross Addition to Sellwood; on the north by the
 County line between Multnomah and Clackamas Counties; on the west by the east line of 27th
 Street in said Ross Addition to Sellwood; on the South by the northerly boundary line of the
 right-of-way of the Oregon Water Power Company now the right-of-way of the Portland Railway
 Light & Power Company. All of said tract is situated in Section Twenty-five (25) Township One
 (1) South Range One (1) East of the Willamette Meridian

And also all right title and interest of the said grantor in and to the water
 of Johnson Creek and all rights and privileges of the said grantor to divert the said water
 of Johnson Creek and all rights and privileges of the said grantor appurtenant to the said
 waters of said Johnson Creek or to divert the said waters ensuing to said grantor by reason

of that certain deed made to Thomas Ross and wife dated May 22, 1908 and recorded in Book 421
 at Page 173 of the Deed Records of Multnomah County, Oregon and by that certain Deed made by
 Sarah C Parke dated 27th June 1908 recorded in Book 427 at Page 254 of said records and by

that certain Deed made by Thomas Ross and wife dated May 22 1908 and recorded in Book 103 at Page 507 Records of Deeds of Clackamas County Oregon and by that certain Deed made by Sarah C Parke dated June 27, 1908 recorded in Book 104 at Page 225 of Deed Records of said Clackamas County, Oregon together with all right title and interest of the said grantor in and to the tail-race as shown by the map of Ross Addition to Sellwood and the right to run the water to said Johnson Creek as shown by the said map of Ross Addition to Sellwood by way of said tail-race over and across blocks three and six in said Ross Addition to Sellwood;..... together with all and singular the tenements hereditaments and appurtenances thereto belonging or in anywise appertaining and also all of the grantor's right title and interest in and to the same.

TO HAVE AND TO HOLD the same unto the said OREGON WORSTED COMPANY and assigns forever. And the said Minerva Company the above named grantor does covenant to and with the said OREGON WORSTED COMPANY the above named grantee, and successor, that it is lawfully seized in fee of the above granted premises; and that it will and its successors shall warrant and defend the same against the lawful claims and demands of all persons whomsoever save and except taxes subsequent to the year 1916, municipal liens and incumbrances created by the above named grantee subsequent to the 13th day of June 1918

IN WITNESS WHEREOF MINERVA COMPANY the above named grantor pursuant to a resolution of its Board of Directors duly and legally adopted has caused these presents to be signed by its President and Secretary and its corporate seal to be hereto affixed this 26th day of March 1919

Signed sealed and delivered in the presence of us as witnesses:

W L Roles
L P Hewitt

(CORPORATE SEAL)

MINERVA COMPANY

By J A Zehnbauer, President

MINERVA COMPANY

By G G Schmitt, Secretary

STATE OF OREGON)
County of Multnomah) SS

On this 26th day of March 1919 before me appeared J A Zehnbauer and G G Schmitt both to us personally known who being duly sworn did say that he the said J A Zehnbauer is the President and me the said G G Schmitt is the Secretary of Minerva Company the within named corporation and that the seal affixed to said instrument is the corporate seal of said corporation and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and said J A Zehnbauer and G G Schmitt acknowledged said instrument to be the free act and deed of said corporation

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate written

(NOTARIAL SEAL)

Louis P Hewitt

Notary Public for Oregon

My Commission expires Dec 3, 1920

Rec for record Mar 29, 1919 at 2:18 P M

-----00-----

Attachment 4 to COO Report

said, acknowledged said instrument to be the free act and deed of a corporation.

In Testimony Whereof, I have hereunto set my hand and affixed my notarial seal on the day and year in this certificate first above written.

(Seal of Notary)

Edith G. Rhodes

Notary Public for Oregon

My commission expires April 21, 1926.

Filed and recorded April 23, 1924 at 8:38 A.M.

H.

E. C. Hackett, County Recorder

175/92

4-23-24

CCO

Know all Men by these presents, that Minerva Company a corporation duly organized and incorporated under the laws of the State of Oregon, for a good, valuable and material consideration, including the sum of Ten (\$10.00) Dollars to it paid by Oregon Worsted Company, a corporation duly organized and incorporated under the laws of the State of Oregon, does hereby grant, bargain, sell and convey unto said Oregon Worsted Company, and assigns, forever, the following described parcel of real estate, situate, lying and being in the Counties of Multnomah and Clackamas, State of Oregon, to-wit:

That certain parcel of real property situated in the County of Multnomah and State of Oregon and being a portion of the George Mills Donation Land Claim in Section Twenty-four (24) Township One (1) South Range One (1) East of the Willamette Meridian, and particularly described as follows, to-wit:

Beginning at an iron pipe driven in the line between Section Twenty-four (24) and Twenty-five (25) of Township One (1) South of Range One (1) East of the Willamette Meridian, which iron pipe is in the west line of the right-of-way of the Oregon & California Railroad Company, and Oregon corporation, passing through Meads addition to Sellwood, formerly said right-of-way was owned by the Oregon Central Railroad Company which right-of-way is generally known and referred to in prior conveyances of the real property herein described, as the right-of-way of the Southern Pacific Railroad Company or the Southern Pacific Railway Company, being however, one and the same right-of-way, running thence north 9 degrees 19 minutes west 490.9 feet along the west line of said Oregon & California Railroad Company's right-of-way, to an iron pipe; thence running west 291.2 feet to an iron pipe; thence running south 481.68 feet to an iron pipe in the line between said sections Twenty-four (24) and Twenty-five (25); thence running south 59 degrees 41 minutes east along the line between said sections Twenty-four (24) and Twenty five (25), 470.41 feet to the place of beginning, containing 5 acres of land. The said lands and the monuments thereof being particularly shown on the duly recorded map of said Meads addition to Sellwood. Together with the tail-race, water-wheel, penstock, warehouse, picking room and gallery on said land and all the right, title, interest and estate of the grantor above named in and to the dam formerly used by Portland Woolen Mills and the flume running from said dam, to site of the former mill of said Portland Woolen Mills, also all water and riparian rights, privileges and easements, in or to the water of Johnson Creek, or appurtenant to or connected with any land abutting on Johnson Creek, which said rights, privileges or easements are described in and conveyed by the following described or assigned conveyance of instruments to-wit:

Attachment 4 to COO Report

recorded March 21, 1901, on page 167 of Book 205 of records of said Multnomah County; Deed from John Adolphson and wife to said Portland Woolen Mills dated May 5, 1902 and recorded July 10, 1902, on page 49 of book 295 of records of deed of said Multnomah County; deed from said John Adolphson and wife to E.L. Thompson dated May 6, 1901 and recorded January 31, 1902, on page 46 of Book 266 of records of deeds of said Multnomah County; deed from Hela A. Pearson and wife to said Portland Woolen Mills dated July 5, 1902 and recorded July 10, 1902 on page 461 in Book 292 of records of deeds of said Multnomah County; deed from said Hela A. Pearson and wife to said E.L. Thompson dated May 6, 1901, and recorded January 31, 1902, on page 263 of book 286 of records of deeds of said Multnomah County; deed from J.M. Hickum and wife to said Portland Woolen Mills; dated September 19, 1902 and recorded January 15, 1904, on page 112 of book 217 of records of deeds of said Multnomah County; deed from J.M. Hickum and wife to said E.L. Thompson, dated May 6, 1901 and recorded January 31, 1902 on page 49 of book 286 of records of deeds of said Multnomah County, deed from Ira Burley and wife to said E.L. Thompson, dated May 6, 1901 and recorded January 31, 1902, on page 266 of book 286 of records of deeds of said Multnomah County; deed from Caroline R. Koleson to said E.L. Thompson dated May 6, 1901, and recorded January 31, 1902 on page 46 of book 286 of records of deeds of said Multnomah County; deed from Beth D. Willis and others and Seth D. Willis executor of the last will of Jacob Willis, deceased, to Portland Woolen Mills, dated June 6, 1902, and recorded January 15, 1904 on page 227 of book 216 of records of deed of said Multnomah County, also the rights and interest required by said Portland Woolen Mills from the Oregon & California Company and the Southern Pacific Company by agreement dated Oct. 1901 and by agreement dated Oct. 1901.

Also that certain right-of-way for a wagon road conveyed by deed from Portland Woolen Mills to Ross Wool Scouring and Manufacturing Company, recorded in book 246 page 292 deed records of Multnomah County, Oregon, also all right, title and interest in and to all water and riparian rights, privileges and easements conveyed to said Ross Wool Scouring and Manufacturing Company by E.L. Thompson and wife, by deed dated November 29, 1905 and recorded in book 249 at page 17 of the deed records of said County.

Also the following parcel of real estate situate and being in the County of Clatsop, State of Oregon, to-wit:

That certain tract of land shown by the map of Ross Addition to Sellwood, containing two and a half (2½) acres more or less, which lies west of the right-of-way of the Oregon & California Railroad Company, an Oregon corporation, passing through said Ross Addition to Sellwood, formerly said right-of-way was owned by the Oregon Central Railroad Company and which right-of-way is generally known and referred to in prior conveyances of the real property herein described as the right-of-way of the Southern Pacific Railroad Company or the Southern Pacific Railway Company, being, however, one and the same right-of-way, and which is bounded on the east by the west line of the right-of-way of said Oregon & California Railroad Company's right-of-way passing through said Ross Addition to Sellwood, on the north by the County line between Multnomah and Clatsop Counties; on the west by the west line of 27th street in said Ross Addition to Sellwood; on the south by the northerly boundary line of the right-of-way of the Oregon Water Power Company, now the right-of-way of the Portland Light Power Company. All of said tract is situated in Section Twenty-five (25) Township One (1) south of range One (1) East of the Willamette Meridian.

And also all right, title and interest of the said grantor in and to the water of Johnson Creek, and all rights and privileges of the said grantor to divert the said water of Johnson Creek, and all rights and privileges of the said grantor appurtenant to the said water of said Johnson Creek or to divert the said water, owing to said grantor, by reason of that certain

deed made by Thomas Ross and wife, dated May 22, 1906, and recorded in book 421 at page 178, of the deed records of Multnomah County, Oregon, and by that certain deed made by Sarah C. Parke, dated 17th day of June, 1906, recorded in book 427 at page 264 of said records, and by that certain deed made by Thomas Ross and wife, dated May 22, 1908, and recorded in book 103 at page 657 records of deed of Clackamas County, Oregon and by that certain deed made by Sarah C. Parke, dated June 27, 1908, recorded in book 104 at page 226, of Deed records of said Clackamas County, Or run, together with all right, title and interest of the said grantor in and to the tail- race as shown by the map of Ross Addition to Sellwood and the right to run water to said Johnson Creek as shown by the said map of Ross Addition to Sellwood by way of said tail-race over and across blocks three and six in said Ross Addition to Sellwood; together with all and singular the tenements, hereditaments and appurtenances thereto belonging, or in anywise appertaining; and also all of the grantor's right, title and interest in and to the same.

To have and to hold, the same unto the said Oregon Norsted Company and assigns forever. And the said Minerva Company, the above named grantor, does covenant to and with the said Oregon Norsted Company, the above named grantees, and successors, that it is lawfully seized in fee of the above granted premises, and that it will, and its successors shall, warrant and defend the same against the lawful claims and demands of all persons whomsoever, save and except taxes subsequent to the year 1910, municipal liens and incumbrances created by the above named grantor subsequent to the 12th day of June, 1910.

In witness whereof, Minerva Company, the above named grantor, pursuant to a resolution of its Board of Directors, duly and lawfully adopted, has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereto affixed, this 26th day of March, 1919.

Signed, sealed and delivered in the

presence of us as witnesses

M. L. Helen

L. F. Hewitt

Geo. H. S. Casswell

Minerva Company

By J. A. Zehntbauer, President

Minerva Company

By G. C. Schmitt, Secretary

(Seal of M.C.)

State of Oregon

County of Multnomah

On this 26th day of March 1919, before me appeared J. A. Zehntbauer and G. C. Schmitt, both to me personally known who bring duly sworn, did say that he, the said J. A. Zehntbauer, is the President, and he, the said G. C. Schmitt, is the Secretary of Minerva Company, the within named corporation, and that the seal affixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and said J. A. Zehntbauer and G. C. Schmitt acknowledged said instrument to be the free act and deed of said corporation.

In Testimony whereof, I have hereunto set my hand and affixed my official seal, this, the day and year first in this my certificate written.

Seal of Notary

Louis P. Hewitt
Notary Public for Oregon

My commission expires Dec. 3, 1920

Filed and recorded April 23, 1924 at 8:41 A.M.

J. C. Backett, County Recorder



Terry, h&w, in the orig amt of \$7000 w int @ 5% p/a

Sig & ack

1083/340---

7-31-46

51281

WD \$8000 July 25 1946 (\$8.80 IRS canc)

Carl C P Meyer and Mary T Meyer, h&w to Oregon Worsted Company, an Ore corpn, its s&a

OBAC all the frp, sit in the City of Portland, MCO, bdf, t/w: In Sec 24, T1S, R1E of the Willamette Meridian, begg at a pt 17.72 chs Ely fm the SW cor of Jacob Wills DLC, bg the pt of intx of the Sly ln of sd Jacob Wills DLC, w the Wly ln of the Southern Pacific Railroad r/v; rung th Wly alg the Wly ln of sd r/v 7.08 chs m/l to the Sly ln of SE Tenino Street; th Wly alg the Sly ln of SE Tenino St 227.9 ft m/l to the Ely ln of SE McLaughlin Boulevard; th Sly alg the Ely ln of SE McLaughlin Blvd to the Sly ln of sd Jacob Wills DLC, th Ely alg the Sly ln of the Jacob Wills DLC, to the pob, EXCC, hwvr, a ptn thof, hvg as its Wly bdry the Ely ln of SE McLaughlin Blvd, as its Wly bdry the Sly ln of SE Tenino St, as its Ely bdry the Wly ln of the Southern Pacific r/v and as its Sly bdry a ln pll to and 5 ft 3 of the Sly ln of SE Tenino St;

includg all impa and tog w all rights, water rights, esnts, and appurts thurto belg. EXCC

(1) water rights reserved in dd fm Jacob Wills and Lorana E Wills, h&w, to E F Wright, dt Apr 6 1870 and rec Apr 9 1870 in Bk K, pg 689, Dd Recs

(2) water rights gtd in dd fm Caroline R McLeod, to E L Thompson, dt May 9, 1901 and rec Jan 31 1902 in Bk 288, pg 48, Dd recs, and

(3) the garage bldg loc on the Wly 30 ft of the abv desc ppty, tl to vch is expressly reserved to and shll remain in the gtra cont'd

July 31 1946

ask

51281 cont'd

tog w the ri of ingress thrt to and egress thrfm for a period of 3-1/2 yrs fm dt, and the fur ri to remove sd bldg fm sd ppty w/ sd 3-1/2-yr period, failing wch removal tl to sd bldg shll pass to the gtee.

ffi, exo as abv specified; PROVDD, hwvr, t this cyno is md by the gtra and is accepted by the gtee subj to the conds t

(1) for a period of 3-1/2 yrs fm the dt hrof no bldg, fence, hedge, sign post or oth structure over 4 ft in height wy be erected on t ptn of the abv desc prms lying north of Johnson Creek and w/ 25 ft of the Ely bdry of SE McLaughlin Blvd, and

(2) t during such period the gtee will neither operate nor permit the operation of a restaurant open to the general public on the ppty hln cyd;

Sig & ack

51282

Mtg \$4450 July 31 1946

Sig & ack

1083/340

51281

WD \$8000

July 25 1946

(\$8.80 IRS canc)

Carl C P Meyer and Mary T Meyer, bkw. to
Oregon Worsted Company, an Ore corpn, its sda

OBSC all the frp, sit in the City of Portland, MCO, bdf, t/v:
In Sec 24, T18, R1E of the Willamette Meridian, begg at a pt
17.72 chs Ely fm the SW cor of Jacob Wills DMC, bg the pt of
intr of the Sly ln of sd Jacob Wills DMC, w the Wly ln of the
Southern Pacific Railroad r/v; rung th Wly alg the Wly ln of
sd r/v 7.08 chs m/l to the Sly ln of SE Tenino Street; th Wly
alg the Sly ln of SE Tenino St 227.9 ft m/l to the Ely ln of
SE McLaughlin Boulevard; th Sly alg the Ely ln of SE McLaughlin
Blvd to the Sly ln of sd Jacob Wills DMC, th Ely alg the Sly
ln of the Jacob Wills DMC, to the pob, RICC, hwvr, a ptn thof,
hvg as its Wly bdry the Ely ln of SE McLaughlin Blvd, as its
Wly bdry the Sly ln of SE Tenino St, as its Ely bdry the Wly
ln of the Southern Pacific r/v and as its Sly bdry a ln pll
to and 5 ft S of the Sly ln of SE Tenino St;

includg all imp and tog w all rights, water rights, eznts, and
appurts thrtnto belgg. RICC.

- (1) water rights reserved in dd fm Jacob Wills and Lorana E
Wills, hs wf, to E P Wright, dt Apr 6 1870 and rec Apr 9 1870 in
Bk K, pg 689, Dd Recs
- (2) water rights gtd in dd fm Caroline R McLeod, to E L Thompson,
dt May 9, 1901 and rec Jan 31 1902 in Bk 288, pg 48, Dd recs, and
- (3) the garage bldg loc on the Ely 30 ft of the abv desc ppty,
ti to vch is expressly reserved to and shll remain in the gtrs
cont'd

July 31 1946

sak

51281 cont'd

tog w the ri of ingress thrtto and egress thrtto for a period
of 3-1/2 yrs fm dt, and the fur ri to remove sd bldg fm sd
ppty vi sd 3-1/2-yr period, failing vch removal ti to sd bldg
shll pass to the gtee.

ffl, exc as abv specified; PROVDD, hwvr, t this cync is md by
the gtrs and is accepted by the gtee subj to the cnds t
(1) for a period of 3-1/2 yrs fm the dt hrof no bldg, fence,
hedge, sign post or oth structure over 4 ft in height my be
erected on t ptn of the abv desc prms lying north of Johnson
Creek and vi 25 ft of the Ely bdry of SE McLaughlin Blvd, and
(2) t during such period the gtee will neither operate nor permit
the operation of a restaurant open to the general public on the
ppty hia cyd;

Sig & ack

1976 No. 24 - International Law Publishing Co., Portland, Ore. 97202

WARRANTY DEED - STATUTORY FORM

BOOK **1559** PAGE **1576**

AGNES M. EREN

conveys and warrants to OREGON HORSTED COMPANY, an Oregon Corporation

Grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Multnomah County, Oregon, to-wit:

A tract of land in Section 24, Township 1 South, Range 1 East of the Willamette Meridian, in the City of Portland, Multnomah County, Oregon, described as follows: Beginning at the intersection of the South line of SE Tenino Street with the Westerly line of the Southern Pacific Railroad right of way; thence Westerly along the South line of SE Tenino Street to the Easterly line of SE McLoughlin Boulevard; thence South along the Easterly line of SE McLoughlin Boulevard, 5 feet; thence Easterly on a line 5 feet South of and parallel to the South line of SE Tenino Street to the Westerly line of the Southern Pacific Railroad right of way; thence North along the Westerly line of the Southern Pacific Railroad right of way 5 feet to the point of beginning.

The said property is free from encumbrances except water right reserved in deed of record; water right granted in deed of record

The true consideration for this conveyance is \$ 6,000.00 (Here comply with the requirements of ORS 93.030)

Dated this 30th day of October, 1981

Agnes M. Eren
Agnes M. Eren

STATE OF OREGON, County of Multnomah Justice of the Peace
Personally appeared the above named Agnes M. Eren
and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me: *[Signature]*
Notary Public for Oregon - commission expires: 11-9-83

WARRANTY DEED

STATE OF OREGON,
County of Multnomah
within instru-

NOV -3 1981 - 8 40 PM
1576
M. Eren

76723

76723

NOV 03 1981

BOOK 514 PAGE 764

12630

E. 240

WARRANTY DEED

BOOK 1799 PAGE 568

KNOW ALL MEN BY THESE PRESENTS, that OREGON WORSTED COMPANY, a corporation duly organized and existing under the laws of the State of Oregon, in consideration of One and 00/100 Dollar, and other good and valuable consideration, to it paid by PENDLETON WOOLEN MILLS, a corporation duly organized and existing under the laws of the State of Oregon, does hereby grant, bargain, sell and convey to said PENDLETON WOOLEN MILLS, its successors and assigns forever, the following real property, with the tenements, hereditaments and appurtenances thereunto, belonging, or in anywise appertaining; and also all its estate, right, title and interest, at law and equity, therein and thereto, situated in the Counties of Clackamas and Multnomah, State of Oregon, bounded and described as follows,

to-wit:

Arb 62 out of 11 RW 24

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the South boundary line of Multnomah County, this being on the line between Sections 24 and 25, Township 1 South, Range 1 East of the Willamette Meridian; thence South 89° 45' East along said South line of Multnomah County, 50.81 feet to the true point of beginning of the tract herein described, this point being in the Easterly line of S. E. McLoughlin Boulevard; thence South 89° 45' East along said South line of Multnomah County and line between said Sections 24 and 25, 554.97 feet to the Westerly right of way line of the Southern Pacific Company; thence North 9° 13' West along the Westerly right of way line of the Southern Pacific Company 30.10 feet; thence South 89° 54' West 545.26 feet to the Easterly line of S. E. McLoughlin Boulevard; thence South 10° 30' West along the Easterly line of S. E. McLoughlin Boulevard 26.77 feet to the true point of beginning, all in Section 24, Township 1 South, Range 1 East of the Willamette Meridian;

and, also, a perpetual easement for use by the Grantee, in common with the Grantor, for road purposes, and none other, over the following described real property, to-wit:

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the South boundary line of Multnomah County, this being on the line between Section 24 and 25, T. 1S. R. 1E. W.M.; thence S. 89° 45' E. along South line of Multnomah County, 50.81 feet to the Easterly

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890K 1799 PAGE 569

of S. E. McLoughlin Boulevard; thence N. $10^{\circ} 30'$ E. along the Easterly line of S. E. McLoughlin Boulevard, 26.77 feet to the true point of beginning; thence N. $10^{\circ} 30'$ E. along the Easterly line of S. E. McLoughlin Boulevard, 25.43 feet; thence N. $89^{\circ} 54'$ E. 536.57 feet to the Westerly right of way line of the Southern Pacific Company; thence S. $9^{\circ} 13'$ E. along the Westerly right of way line of the Southern Pacific Company, 25.38 feet; thence S. $89^{\circ} 54'$ W. 545.26 feet to the true point of beginning;

and, also, the following:

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the North boundary line of Clackamas County; this being on the line between Sections 24 and 25, Township 1 South, Range 1 East of the Willamette Meridian; thence South $89^{\circ} 45'$ East along said North line of Clackamas County, 137.28 feet to the true point of beginning of the tract herein described, this point being in the East line of S. E. 27th Avenue; thence South along the East line of S. E. 27th Avenue, 266.34 feet to the Northerly right of way line of the Portland Traction Company; thence North $68^{\circ} 33' 40''$ East along said right of way line 516.48 feet to the Westerly right of way line of the Southern Pacific Company; thence North $9^{\circ} 13'$ West along the Westerly right of way line of the Southern Pacific Company, 76.48 feet to the North line of Clackamas County, this being the line between the aforementioned Sections 24 and 25; thence North $89^{\circ} 45'$ West along said County line 468.50 feet to the true point of beginning, all in Section 25, Township 1 South, Range 1 East of the Willamette Meridian, in the County of Clackamas and State of Oregon;

and, also, the following:

R
A parcel of land lying in Block 4 of the recorded plat of Ross Addition to Sellwood, Clackamas County, Oregon, Township 1 South, Range 1 East of the Willamette Meridian, said parcel being a portion of that certain piece of property described in a deed to Karney Derichuk as recorded in Book 178, Page 439, Deed Records of Clackamas County, Oregon; said parcel of land being more particularly described as follows: Beginning at the most easterly corner of said Block 4; thence North $89^{\circ} 35'$ West along the north line of said Block a distance of 65.4 feet to a point which is 50.0 feet Easterly from (when measured at right angles to) the said highway center line; thence parallel to said center line South $10^{\circ} 45'$ West a distance of 28.3 feet to the southerly line of said Block 4; thence along said southerly line North $68^{\circ} 31'$ East a distance of 75.8 feet to the point of beginning.

The Grantor reserves unto itself, its successors and assigns, a perpetual easement for the use by the Grantor, in common with the Grantee, for road purposes, and none other, over the following portion of the above described property:

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Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the South boundary line of Multnomah County, this being on the line between Sections 24 and 25, T. 1S. R. 1E. W.M.; thence S. 89° 45' E. along said South line of Multnomah County, 50.81 feet to the Easterly line of S. E. McLoughlin Boulevard, thence N. 10° 30' E. along the Easterly line of S. E. McLoughlin Boulevard, 1.34 feet to the true point of beginning; thence N. 10° 30' E. along the Easterly line of S. E. McLoughlin Boulevard, 25.43 feet; thence N. 89° 54' E. 545.26 feet to the Westerly right of way line of the Southern Pacific Company; thence S. 9° 13' E. along the Westerly right of way line of the Southern Pacific Company 25.38 feet; thence S. 89° 54' W. 553.95 feet to the true point of beginning.

And, further, the Grantor gives and grants unto the Grantee, its successors and assigns, a perpetual easement across the lands of the Grantor, to construct, use and maintain a take-off switch and spur track from the main line of the SOUTHERN PACIFIC COMPANY, at approximately Engineer's Station No. 258.25, as disclosed upon a map or survey, entitled "Southern Pacific Company, Pacific Lines, Portland Division, Shasta Route Main Line and Tillamook Branch, Station Plan, Willsburg Junction, Clackamas and Multnomah Counties, Oregon", dated May 13, 1949, which said map and survey is hereinafter referred to as "Station Plan", and from said take-off switch to enter the land of the Grantor and connect by separate switch to the Grantor's spur track at a point approximately opposite Engineer's Station No. 260.03, as disclosed on said "Station Plan", and, further, by use of a switch to extend said spur track of the Grantor southerly and along the same course to the southerly line of the Grantor's property. Said easement, insofar as it affects the Grantor's spur track, shall be subject to common use by the Grantor and the Grantee.

And, further, the Grantor reserves unto itself, its successors and assigns, a perpetual easement over the lands herein conveyed, to use and maintain its present spur track connection with the SOUTHERN PACIFIC COMPANY'S main line, which spur track enters the lands of the Grantee at approximately Engineer's Station No. 263.14, as disclosed on said "Station Plan", and proceeds northerly and approximately parallel

AUG 13 1956

34175 III

... track purposes hereinbefore granted to the Grantee, shall be subject to common use by the Grantor and the Grantee.

TO HAVE AND TO HOLD the same to the said PENDLETON WOOLEN MILLS, its successors and assigns forever. And OREGON WORSTED COMPANY does covenant with PENDLETON WOOLEN MILLS, and its successors and assigns forever, that it is lawfully seized in fee simple of the above described and granted premises, and has a valid right to convey same; that the said real property is free and clear from all encumbrances except: real property taxes for the tax year 1956-57; the reservations contained in the Ordinance of the City of Portland, No. 66191; the encroachment of any building not the property of the Grantor upon the land and interests herein conveyed; and the encroachments of any buildings upon the land and interests herein conveyed upon land other than upon the land of the Grantor; and that it will, and its successors, shall, WARRANT AND DEFEND the same to the Grantee, its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, OREGON WORSTED COMPANY, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and its corporate seal to be hereunto affixed this 1st day of August, 1956.

OREGON WORSTED COMPANY

By Thomas O. Bealy
President

Executed in the presence of

ACK

AUG 13 1956

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WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that OREGON WORSTED COMPANY, a corporation duly organized and existing under the laws of the State of Oregon, in consideration of One and 00/100 Dollar and other good and valuable consideration, to it paid by PENDLETON WOOLEN MILLS, a corporation duly organized and existing under the laws of the State of Oregon, does hereby grant, bargain, sell and convey to said PENDLETON WOOLEN MILLS, its successors and assigns forever, the following real property, with the tenements, hereditaments and appurtenances thereunto, belonging, or in anywise appertaining; and also all its estate, right, title and interest, at law and equity, therein and thereto, situated in the Counties of Clackamas and Multnomah, State of Oregon, bounded and described as follows, to-wit:

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the South boundary line of Multnomah County, this being on the line between Sections 24 and 25, Township 1 South, Range 1 East of the Willamette Meridian; thence South 89° 45' East along said South line of Multnomah County, 50.81 feet to the true point of beginning of the tract herein described, this point being in the Easterly line of S. E. McLoughlin Boulevard; thence South 89° 45' East along said South line of Multnomah County and line between said Sections 24 and 25, 554.97 feet to the Westerly right of way line of the Southern Pacific Company; thence North 9° 13' West along the Westerly right of way line of the Southern Pacific Company 30.10 feet; thence South 89° 54' West 545.26 feet to the Easterly line of S. E. McLoughlin Boulevard; thence South 10° 30' West along the Easterly line of S. E. McLoughlin Boulevard 26.72 feet to the true point of beginning, all in Section 24, Township 1 South, Range 1 East of the Willamette Meridian;

3000

and, also, a perpetual easement for use by the Grantee, in common with the Grantor, for road purposes, and none other, over the following described real property, to-wit:

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the South boundary line of Multnomah County, this being on the line between Sections 24 and 25, T. 1 S., R. 1 E., W.M.; thence S. 89° 45' E. along said South line of Multnomah County, 50.81 feet to the Easterly line

Plat of 1/2 Section 25

of S. E. McLoughlin Boulevard; thence N. 10° 30' E. along the Easterly line of S. E. McLoughlin Boulevard, 266.75 feet to the true point of beginning; thence N. 10° 30' E. along the Easterly line of S. E. McLoughlin Boulevard, 25.43 feet; thence N. 89° 54' E. 536.57 feet to the Westerly right of way line of the Southern Pacific Company; thence S. 9° 13' E. along the Westerly right of way line of the Southern Pacific Company, 25.38 feet; thence S. 89° 54' W. 545.26 feet to the true point of beginning;

and, also, the following:

100 E. of 27th

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the North boundary line of Clackamas County; this being on the line between Sections 24 and 25, Township 1 South, Range 1 East of the Willamette Meridian; thence South 89° 45' East along said North line of Clackamas County, 137.28 feet to the true point of beginning of the tract herein described, this point being in the East line of S. E. 27th Avenue; thence South along the East line of S. E. 27th Avenue, 266.34 feet to the Northerly right of way line of the Portland Traction Company; thence North 68° 33' 40" East along said right of way line 516.48 feet to the Westerly right of way line of the Southern Pacific Company; thence North 9° 13' West along the Westerly right of way line of the Southern Pacific Company, 76.48 feet to the North line of Clackamas County; this being the line between the aforementioned Sections 24 and 25; thence North 89° 45' West along said County line 468.50 feet to the true point of beginning, all in Section 25, Township 1 South, Range 1 East of the Willamette Meridian, in the County of Clackamas and State of Oregon;

and, also, the following:

little bit of 100

A parcel of land lying in Block 4 of the recorded plat of Ross Addition to Sellwood, Clackamas County, Oregon, Township 1 South, Range 1 East of the Willamette Meridian, said parcel being a portion of that certain piece of property described in a deed to Karney Derichuk as recorded in Book 178, Page 439, Deed records of Clackamas County, Oregon; said parcel of land being more particularly described as follows: Beginning at the most easterly corner of said Block 4; thence North 89° 35' West along the north line of said Block a distance of 65.4 feet to a point which is 50.0 feet Easterly from (when measured at right angles to) the said highway center line; thence parallel to said center line South 10° 45' West a distance of 28.3 feet to the southerly line of said Block 4; thence along said southerly line North 68° 31' East a distance of 75.8 feet to the point of beginning.

The Grantor reserves unto itself, its successors and assigns a perpetual easement for the use by the grantor, in common with the grantees, for road purposes, and none other, over the following portion of the above described property:

514 (00)

Beginning at an iron pipe at the intersection of the center line of S. E. McLoughlin Boulevard and the south boundary line of Multnomah County, this being on the line between Sections 24 and 25, T. 1S. R. 1E. W.M.; thence S. $89^{\circ} 25'$ E. along said South line of Multnomah County, 50.81 feet to the Easterly right of way line of S. E. McLoughlin Boulevard; thence N. $10^{\circ} 30'$ E. along the Easterly line of S. E. McLoughlin Boulevard, 1.34 feet to the true point of beginning; thence N. $10^{\circ} 30'$ E. along the Easterly line of S. E. McLoughlin Boulevard, 25.43 feet; thence N. $89^{\circ} 54'$ E. 545.26 feet to the Westerly right of way line of the Southern Pacific Company; thence S. $90^{\circ} 13'$ E. along the Westerly right of way line of the Southern Pacific Company, 25.38 feet; thence S. $89^{\circ} 54'$ W. 553.95 feet to the true point of beginning.

And, further, the Grantor gives and grants unto the Grantee, its successors and assigns, a perpetual easement across the lands of the Grantor, to construct, use and maintain a take-off switch and spur track from the main line of the SOUTHERN PACIFIC COMPANY, at approximately Engineer's Station No. 258.25, as disclosed upon a map or survey, entitled "Southern Pacific Company, Pacific Lines, Portland Division, Shasta Route Main Line and Tillamook Branch, Station Plan, Willburg Junction, Clackamas and Multnomah Counties, Oregon", dated May 13, 1949, which said map and survey is hereinafter referred to as "Station Plan", and from said take-off switch to enter the land of the Grantor and connect by separate switch to the Grantor's spur track at a point approximately opposite Engineer's Station No. 260.07, as disclosed on said "Station Plan", and, further, by use of a switch to extend said spur track of the Grantor southerly and along the same course to the southerly line of the Grantor's property. Said easement, insofar as it affects the Grantor's spur track, shall be subject to common use by the Grantor and the Grantee.

And, further, the Grantor reserves unto itself, its successors and assigns, a perpetual easement over the lands herein conveyed, to use and maintain its present spur track connection with the SOUTHERN PACIFIC COMPANY'S main line, which spur track enters the lands of the Grantee at approximately Engineer's Station No. 263.14, as disclosed on said "Station Plan", and proceeds northerly and approximately parallel

TO THE MAIN LINE OF THE SOUTHERN PACIFIC COMPANY, to the Grantor, said easement, insofar as it affects the easement for spot track purposes hereinafore granted to the Grantee, shall be subject to common use by the Grantor and the Grantee.

TO HAVE AND TO HOLD the same to the said PENDLETON WOOLEN MILLS, its successors and assigns forever. And OREGON WORSTED COMPANY does covenant with PENDLETON WOOLEN MILLS, and its successors and assigns forever, that it is lawfully seized in fee simple of the above described and granted premises, and has a valid right to convey same that the said real property is free and clear from all encumbrances except real property taxes for the tax year 1956-57; the reservations contained in the Ordinance of the City of Portland, No. 66194; the encroachment of any building not the property of the Grantor upon the land and interests herein conveyed; and the encroachments of any buildings upon the land and interests herein conveyed upon land other than upon the land of the Grantor; and that it will, and its successors shall, WARRANT AND DEFEND the same to the Grantee, its successors and assigns forever, against the lawful claims and demands of all persons whomsoever.

IN WITNESS WHEREOF, OREGON WORSTED COMPANY, pursuant to a resolution of its Board of Directors, duly and legally adopted, has caused these presents to be signed by its President and its corporate seal to be hereunto affixed this 1st day of August, 1956.

OREGON WORSTED COMPANY

By *Thomas B. Kelly*
President

Executed in the presence of

STATE OF OREGON,

County of Multnomah

On this 1st day of August, 1956, before me appeared THOMAS B. BISHOP, who is to me personally known, and who being duly sworn, did say that he, the said THOMAS B. BISHOP, is the President of the within named Corporation, and that the seal affixed to this instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and THOMAS B. BISHOP acknowledged said instrument to be the free act and deed of said Corporation.

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

Barton K. ...
 Notary Public for Oregon

My Commission expires:
 September 8, 1958

0-711

JUL 27 1967

FORM NO. 27-100-1000

KNOW ALL MEN BY THESE PRESENTS, That ALICE SIELICKY
a Widow

in consideration of Ten and no/100 (\$10.00) hereinafter called the grantor,
Dollars,

to grantor paid by PENULTON WOOLLEN MILLS, an Oregon Corporation
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 in anywise in anywise or appertaining, situated in the County of Clackamas and State of Oregon, described as follows, to-wit:

All of Lots 6, 7, 8 and 9 and that portion of the South one-half of Lot 5 lying within the boundary of Clackamas County, in Block 3, ROSS ADDITION TO SHELLWOOD, as recorded in Volume 6, page 27, Plat Records

EXCEPT that portion lying within the boundaries of the Portland, Oregon City East Side Highway as conveyed to Clackamas County by deed recorded April 23, 1934, in Book 222, page 543, Deed Records

Insured by
Primer National
Title Insurance Company

To Have and to Hold the above described and granted premises 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

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

In testimony whereof and where the same is so required, the singular includes the plural.
WITNESS grantor's hand this 26th day of July 1967.

Alice Sielicky

STATE OF OREGON, County of Multnomah,) ss. July 26, 1967.
Personally appeared the above named ALICE SIELICKY



Subscribed and sworn to before me and my commission expires 11/1/67
[Signature]
Notary Public for Oregon

WARRANTY DEED

STATE OF OREGON, County of Multnomah,) ss. July 27, 1967.
Personally appeared the above named ALICE SIELICKY
[Signature]
Notary Public for Oregon

STATE OF OREGON,
DEED
694-231
[Signature]

1-2275

694-231

JAN 18 1973

ORDINANCE NUMBER 1254

AN ORDINANCE VACATING A PORTION OF 27TH AVENUE WHICH LIES EAST OF LOTS 6, 7, 8, 9 AND THE PORTION OF LOT 5 WHICH IS WITHIN THE CITY OF MILWAUKIE, A PUBLIC STREET WITHIN THE CITY OF MILWAUKIE, OREGON.

THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

Section 1. The City Council of the City of Milwaukie, Oregon, having heretofore by Resolution Number 33-1972, duly adopted by the City Council at its meeting on the 29th day of November, 1972, determined that the interests of the City of Milwaukie, Oregon, required the vacation of a portion of 27th Avenue, a public street within the City of Milwaukie, Oregon, as hereinafter described, and the Council of Milwaukie, Oregon having ascertained and determined that the market value of the properties abutting upon the said part of said public street to be vacated will be increased rather than decreased by reason of said vacation, and the City Council having heretofore by said resolution initiated vacation proceedings looking toward the vacation of said part of said public street, pursuant to the provisions of Section 271.130, Oregon Revised Statutes, and notice having been given as required by law, that a public hearing would be held before the Council of the City of Milwaukie, Oregon, on the 8th day of January, 1973, for the purpose of considering any and all written objections or remonstrances filed with the Recorder of the City of Milwaukie, Oregon prior to said date, objecting to or remonstrating against the vacation of said part of said public street, and said public hearing having been held pursuant to said notice, and no written objections or remonstrances having been filed against said vacation with the Recorder of the City of Milwaukie, Oregon, and no person or persons appearing at said hearing who objected to or remonstrated against said vacation, that portion of 27th Avenue which lies east of Lots 6, 7, 8, 9 and the portion of Lot 5 which is within the City of Milwaukie, Block 3, Ross Addition, City of Milwaukie, is hereby vacated.

Section 2. The Recorder for the City of Milwaukie shall, and hereby is directed to file with the Recorder, the Assessor, and Surveyor for Clatsop County, Oregon, certified copies of this ordinance as provided by law.

Section 3. All existing utilities shall be contained in an adequate width easement which in no case shall be less than 10 feet in width and shall be not less than 5 feet each side of the center line of the existing utility. Said easements shall be terminated upon removal by the utility company of said utility.

Read the first time this 8th day of January, 1973, and moved to second reading by unanimous vote of the City Council.

Read the second time and adopted by the City Council this 8th day of January, 1973.

Signed by the Mayor this 8th day of January, 1973.

ATTEST:

Ruth E. Friesen, Recorder

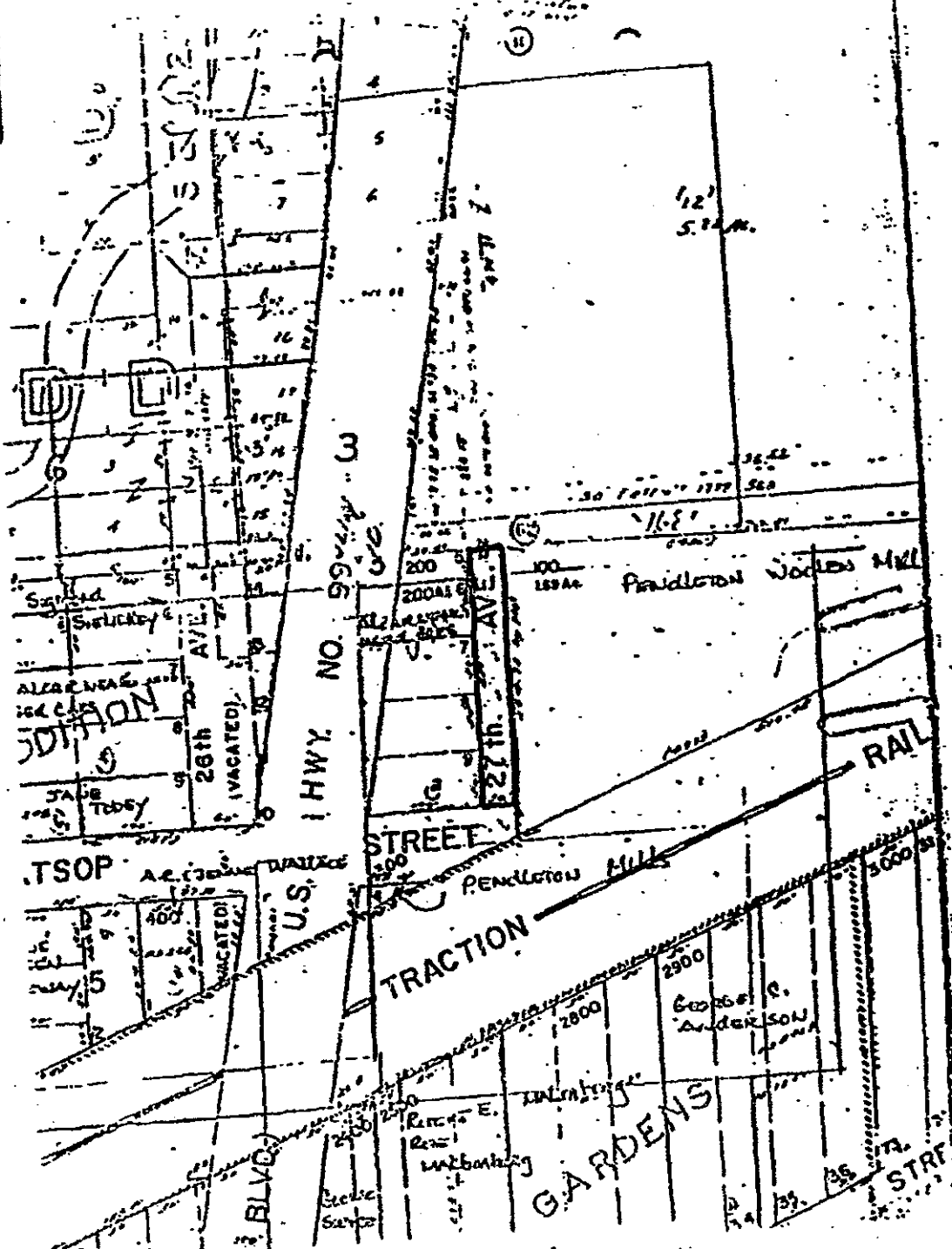
Donald W. Graf, Mayor

73 1777

Certified a true copy of the whole thereof.
Recorder, City of Milwaukie, Oregon

STATE OF OREGON
County of Clatsop
I, George D. Pappas, County Clerk,
Recorder of Conveyances and
Recorder of Deeds for the County of Clatsop, do hereby certify that
the within and foregoing is a true and correct copy of the
original instrument of record as recorded in the records of DEED
1973 JAN 18 PM 3:51
RECORDED OF CONVEYANCES
COUNTY OF CLATSOP
CLATSOP COUNTY, OREGON
George D. Pappas, County Clerk

JAN 18 1977



STATE OF OREGON
County of Clatsop

I, George H. Brown, County Clerk, do hereby certify that the above and foregoing plat of the County of Clatsop, Oregon, is a true and correct copy of the original filed in my office, and that the same is the true and correct copy of the original as the same appears on the records of the County of Clatsop, Oregon.

1975 JAN 18 PM 3:41

ORDER OF CONVEYANCES
CLERK'S OFFICE
COUNTY OF CLATSOP, OREGON

[Signature]

BARGAIN AND SALE DEED

JAN 3 1973

This Bargain and Sale Deed, made this 31st day of January, 1973, by the City of Milwaukie, a municipal corporation of Clackamas County, Oregon, hereinafter called "Grantor", to Fendleton Woolen Mills, Inc., an Oregon corporation, hereinafter called "Grantee".

This deed is given pursuant to and by authority of Ordinance Number 1269, which Ordinance vacated that portion of 27th Avenue in the City of Milwaukie, Clackamas County, Oregon, which lies east of Lots 6, 7, 8, 9 and that portion of Lot 5 which is within the City of Milwaukie. Said Ordinance vacating the above-described portion of 27th Avenue was adopted by the City Council on January 8, 1973, pursuant to the provisions of Section 211.130, Oregon Revised Statutes, and was signed by the Mayor of the City of Milwaukie on January 8, 1973. Grantee, in consideration of \$10 and other value, the receipt of which is hereby acknowledged, does hereby grant, bargain, sell and convey unto Grantee, Grantee's successors and assigns, that certain real property in the County of Clackamas and the State of Oregon, described as follows, to wit:

That portion of 27th Avenue which lies east of Lots 6, 7, 8, 9 and the portion of Lot 5 which is within the City of Milwaukie, Block 3, No. 3 Addition, City of Milwaukie, Clackamas County, Oregon.

Grantee, and Grantee's successors and assigns, are lawfully seized in fee simple of the above described premises, except: All existing utilities shall be contained in an adequate width easement which in no case shall

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JAN 31 1973

be less than 10 feet in width and shall be not less than 5 feet each side of the center line of the existing utility. Said easements shall be terminated upon removal by the utility company of said utility.

ATTESTED:

CITY OF MILWAUKEE

Robert H. Smith
Recorder

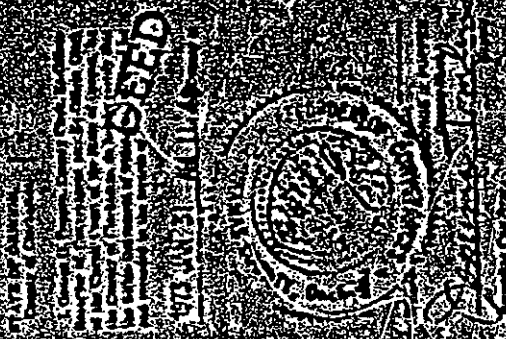
Harold W. Smith
Mayor

Subscribed and sworn to before me this 21 day of January 1973.

Notary Public for Oregon

Commission Expires

2



12-11-1984

LIMITED WARRANTY DEED

BOOK 1801 PAGE 1600

533710

THIS IS A DEED dated December 4, 1984, by CARDINAL PETROLEUM CO., INC. an Oregon corporation with offices at 2000 Hanna Drive in Portland, Oregon (herein called "Grantor") to OREGON WORSTED COMPANY, an Oregon corporation, of 8300 SE McLoughlin Blvd. in Portland, Oregon (herein called "Grantee"):

GRANTOR, for the sum of THREE HUNDRED FORTY THOUSAND, SEVEN HUNDRED SIXTY AND NO/100 DOLLARS (\$340,760.00) received, hereby conveys and warrants to Grantee the following described Premises situated in Portland, County of Multnomah, State of Oregon:

All of Block 1, HILLSBURG, in the City of Portland, County of Multnomah and State of Oregon, EXCEPT that part thereof deeded to the State of Oregon for highway purposes by deed recorded April 18, 1934 in Book 247, Page 520, Deed Records

together with all rights, privileges and appurtenances thereto and all buildings and land improvements thereon; but subject to all easements, rights-of-way, reservations, restrictions and encumbrances of record, to any existing tenancies, to all zoning laws and ordinances, and to any state of facts an accurate survey or inspection of the Premises would show;

TO HAVE AND TO HOLD the same unto Grantee and Grantee's heirs, successors and assigns forever.

SUBJECT to the foregoing and to the liens of all taxes and assessments for the year 1984 and subsequent years, Grantor covenants with Grantee that Grantor will warrant and defend the title to the Premises against the lawful claims of all persons claiming by, through or under Grantor.

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

EXECUTED by Grantor as of the date first herein specified.

WITNESSES:

CARDINAL PETROLEUM CO., INC.

By Daniel G. Hanna, pres. Mark Y. Hanna, sec.

STATE OF OREGON, County of Multnomah ss. December 4, 1984

Personally appeared Daniel G. Hanna and Mark Y. Hanna who, being duly sworn, each for himself and not one for the other, did say that the former is the President president and that the latter is the Secretary secretary of Cardinal Petroleum Co., Inc., 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: [Signature] Notary Public for Oregon My commission expires: 10-10-86

(Official Seal)

AFTER RECORDING RETURN TO AND SEND ALL TAX STATEMENTS TO: Oregon Worsted Company 8300 S. E. McLoughlin Blvd. Portland, OR 97202

JAN 28 1985

Recorded by First Title Insurance Company

BOOK 1801 PAGE 1601

6073

STATE OF OREGON
Multnomah County

A County and the Recorder of Deeds, in and for
Multnomah County, Oregon, do hereby certify that the within instrument is
correctly recorded and indexed in the Public
Records Office.

1985 JAN 28 PM 12:34

RECORDING SECTION
MULTNOMAH CO. OREGON

Attest
1884 On Fee /6.00
I, _____
Recorder of Deeds and of other offices.

Recorder of Deeds

P. Hammonds
Deputy

5

JAN 28 1985

RETURN TO
OREGON HIGHWAY DIVISION
RIGHT OF WAY SECTION
119 TRANSPORTATION BLDG.
SALEM, OREGON 97310

BOOK 2213 PAGE 127
Highway Division
File 56975
Proj. No. IX-26 (43)
Map No. 9D-30-2

ORIGINAL

WARRANTY DEED

OREGON WORSTED COMPANY, an Oregon corporation, Grantor, hereby conveys unto the STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION, Highway Division, Grantee, fee title to the following described property, to wit:

PARCEL 1

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying southerly of the southerly line of S.E. Tenino St. and northerly of that property described in that deed to Pandleton Woolen Mills, recorded August 13, 1956 in Book 1799, Page 568, Multnomah County Record of Deeds and included in a strip of land variable in width, lying on the easterly side of the center line of relocated Pacific Highway East which center line is described as follows:

Beginning at Engineer's center line Station 390+00, said station being 837.91 Feet South and 572.90 feet East of the Southwest corner of the Jacob Willis D.L.C. No. 57, Township 1 South, Range 1 East, W.M.; thence North 12° 58' 06" East 462.77 feet; thence on a spiral curve left (the long chord of which bears North 12° 08' 06" East 399.97 feet) 400 feet; thence on a 4583.66 foot radius curve left (the long chord of which bears North 2° 33' 30.5" East 1261.56 feet) 1265.57 feet; thence on a spiral curve left (the long chord of which bears North 7° 01' 05" West 399.97 feet) 400 feet to Engineer's center line Station 415+28.27.

The widths in feet of the strip of land above referred to are as follows:

| Station | to | Station | Width on Easterly Side of Center Line |
|---------|----|---------|---------------------------------------|
| 392+00 | | 395+12 | 62 |
| 395+12 | | 397+37 | 62 in a straight line to 67 |
| 397+37 | | 397+73 | 67 |
| 397+73 | | 398+73 | 67 in a straight line to 62 |
| 398+73 | | 400+25 | 62 |
| 400+25 | | 402+75 | 85 in a straight line to 100 |

Bearings are based upon the Oregon Co-ordinate System, North Zone.

The parcel of land to which this description applies contains 24,438 square feet, more or less, outside of the existing right of way.

PARCEL 2

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon and being a portion of that

5-25-87

OREGON TITLE INS. CO. 78-112111

Sec 24-15-31E 7L 12, 103, 104, 110
Achs (2) (104) (110) (112)

BOOK 221 PAGE 1228

Highway Division
 File 56975
 Proj. No. IX-26 (43)
 Map No. 9B-30-2

property described in those deeds to Oregon Worsted Company, recorded July 31, 1946 in Book 1083, Page 340 and November 3, 1981 in Book 1559, Page 1576, both of Multnomah County Record of Deeds; the said parcel being that portion of said property lying Easterly of Parcel 1 and included in a strip of land 40 feet in width, lying on the Southerly side of the center line of relocated S.E. Tenino Street which center line is described as follows:

Beginning at Engineer's center line Station "T01" 108+23.38, said station being 402.52 feet North and 641.01 feet East of the Southwest corner of the Jacob Willis D.L.C. No. 57, Township 1 South, Range 1 East, W.M.; thence on a 1909.86 foot radius curve right (the long chord of which bears North 88° 00' 23.5" East 347.23 feet) 347.71 feet; thence South 86° 46' 40" East 328.91 feet to Engineer's center line Station "T01" 115+00.

ALSO that portion of said property lying Northerly of said strip of land.

Bearings are based upon the Oregon Co-ordinate System, North Zone.

The parcel of land to which this description applies contains 5,550 square feet, more or less.

PARCEL 3

A parcel of land lying in Block 1, THE TOWN OF WILLSBURG, Multnomah County, Oregon and being that property described in that deed to Oregon Worsted Company, recorded January 28, 1985 in Book 1801, Page 1600, Multnomah County Record of Deeds.

The parcel of land to which this description applies contains 28,600 square feet, more or less.

TOGETHER WITH all abutter's rights of access between the above-described Parcels 1 and 2, and Grantor's remaining real property, EXCEPT, however,

Reserving access rights, for the service of Grantor's remaining property, to and from said remaining property to the abutting highway at the following place, in the following width, and for the following purpose:

| Hwy. Engr's Sta. | Side of Hwy. | Width | Purpose |
|------------------|--------------|-------|--------------|
| 397+55 | East | 46' | unrestricted |
| 392+83 | East | 42' | unrestricted |

The approach at 392+83 is a joint approach with Pendleton Woolen Mills (File 58305)

Grantor, also grants Grantee, its successors and assigns, permanent easements to construct and maintain slopes, to construct, relocate, and maintain telephone and

Highway Division
 File 56973
 Proj. No. IX-26 (43)
 Map No. 98-30-2

electric powerline facilities, and appurtenances therefor, over the hereinafter described Parcels 4, 5 and 6, and to construct a retaining wall over, upon and across the hereinafter described Parcel 6, necessitated by the widening and improvement of the Union/Grand Ave. Viaduct-S.E. River Rd. Section of the relocated Pacific Highway, said property being described as follows:

PARCEL 4 - Permanent Easement for Slopes, Telephone and Electric Powerline Facilities

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.H., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying Easterly of Parcel 1; between lines at right angles to the center line of the relocated Pacific Highway East at Engineer's Station 398+42 and 400+25 and included in a strip of land variable in width, lying on the Easterly side of said center line which center line is described in Parcel 1.

The widths in feet of the strip of land above referred to are as follows:

| Station | to | Station | Width on Easterly Side of Center Line |
|---------|----|---------|---------------------------------------|
| 398+42 | | 400+25 | 75 in a straight line to 65 |

The parcel of land to which this description applies contains 1,300 square feet, more or less.

PARCEL 5 - Permanent Easement for Slopes, Telephone and Electric Powerline Facilities

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.H., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying between lines at right angles to the center line of the relocated Pacific Highway East at Engineer's Stations 393+05 and 397+85 and included in a strip of land 3 feet in width, lying Southeasterly of and adjoining Parcel 1.

The center line of said relocated Pacific Highway East is described in Parcel 1.

The parcel of land to which this description applies contains 1,440 square feet, more or less.

Said slope easement shall be not greater than 1 foot in height.

BOOK 22 PAGE 1230

Highway Division
File 56975
Proj. No. IX-26 (43)
Map No. 9B-30-2**PARCEL 6 - Permanent Easement for a Retaining Wall, Slopes, Telephone and Electric Powerline Facilities**

A parcel of land lying in Lot 7, Block 1, ROSS ADDITION TO SELLWOOD, Multnomah County, Oregon; the said parcel being that portion of said lot lying between lines at right angles to the center line of the relocated Pacific Highway East at Engineer's Stations 397+85 and 398+42 and included in a strip of land 8 feet in width, lying Easterly of and adjoining Parcel 1.

The center line of said relocated Pacific Highway East is described in Parcel 1.

The parcel of land to which this description applies contains 460 square feet, more or less.

IT IS UNDERSTOOD that the easements herein granted do not convey any right or interest in the above-described property, except as stated herein, nor prevent Grantor from the use of said property; provided, however, that such use does not interfere with the rights herein granted, or endanger the lateral support of said highway, that Grantee shall never be required to remove the slope materials placed by it on said property, nor shall Grantee be subject to any damages to Grantor, its successors and assigns, by reason thereof, or by reason of any change of grade of the highway abutting thereon.

IT IS ALSO UNDERSTOOD that nothing herein contained is intended to create any obligation on the part of Grantee for the maintenance of said utilities.

Grantor also grants to Grantee, its successors and assigns, a construction permit to construct a road approach over, across, and upon the hereinafter described Parcels 7 and 9, and a temporary easement for a work area over and across the hereinafter described Parcel 8, to be used by Grantee in connection with the reconstruction, widening and improvement of the Union/Grand Ave. Viaduct-S.E. River Rd. Section of the relocated Pacific Highway over and across the following described property, to wit:

5-25-89
Page 4 - WD

6-21-89

BOOK 2213 PAGE 1231

Highway Division
 File 56975
 Proj. No. IX-26 (43)
 Map No. 9R-30-2

PARCEL 7 - Construction Permit for a Road Approach

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying between lines at right angles to the center line of the relocated Pacific Highway East at Engineer's Stations 397+25 and 397+85 and included in a strip of land 28 feet in width, lying Easterly of and adjoining Parcel 1.

The center line of said relocated Pacific Highway East is described in Parcel 1.

The parcel of land to which this description applies contains 1,700 square feet, more or less.

PARCEL 8 - Three Year Temporary Easement for a Work Area

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M.; Multnomah County, Oregon and being a portion of that property described in those deeds to Oregon Worsted Company, recorded July 31, 1946 in Book 1083, Page 340 and November 3, 1981 in Book 1559, Page 1576, both of Multnomah County Record of Deeds; the said parcel being that portion of said property lying Easterly of Parcel 1; Southerly of Parcel 2; Northerly of a line at right angles to the center line of the relocated Pacific Highway East at Engineer's Station 399+20 and included in a strip of land variable in width, lying on the Easterly side of said center line which center line is described in Parcel 1.

The widths in feet of the strip of land above referred to are as follows:

| Station | to Station | Width on Easterly Side of Center Line |
|---------|------------|---------------------------------------|
| 399+20 | 400+65 | 150 in a straight line to 255 |
| 400+65 | 401+60 | 255 in a straight line to 165 |
| 401+60 | 402+30 | 145 in a straight line to 140 |
| 402+30 | 403+00 | 140 |

ALSO that portion of said property lying Easterly of said strip of land and included in a strip of land 15 feet in width, lying Southerly of and adjoining Parcel 2.

The parcel of land to which this description applies contains 37,200 square feet, more or less.

2213 PAGE 1232

Highway Division
 File 56975
 Proj. No. IX-26 (63)
 Map No. 9B-30-2

PARCEL 9 - Construction Permit for a Road Approach

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying southerly of a line at right angles to the center line of the relocated Pacific Highway East at Engineer's Station 393+05; northerly of that property described in that deed to Pandleton Woolen Mills, recorded August 13, 1936 in Book 1799, Page 568, Multnomah County Record of Deeds and between lines parallel with and 62 feet easterly and 75 feet easterly of said center line which center line is described in Parcel 1.

The parcel of land to which this description applies contains 300 square feet, more or less.

IT IS UNDERSTOOD that the easement and permit herein granted shall terminate three (3) years from the date hereof or upon completion of the above-mentioned construction project, whichever is sooner.

IT IS ALSO UNDERSTOOD that the easement and permit herein granted do not convey any right or interest in the above-described Parcels 7, 8 and 9, except as stated herein, nor prevent Grantor from the use of said property; provided, however that such use does not interfere with the rights herein granted.

Grantor also grants to Grantee, its successors and assigns, a permanent easement for the construction, operation, and maintenance of a drainage facility over, under, and across the following described property, to wit:

PARCEL 10 - Permanent Easement to the Reconstruction and Maintenance of Johnson Creek

A parcel of land lying in the SW $\frac{1}{4}$ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon; the said parcel being that portion of said SW $\frac{1}{4}$ lying easterly of Parcel 1; southerly of Parcel 2; northerly of a line at right angles to the center line of the relocated Pacific Highway East at Engineer's Station 398+42 and included in a strip of land variable in width, lying on the easterly side of said center line which center line is described in Parcel 1.

The widths in feet of the strip of land above referred to are as follows:

BOOK 213 PAGE 1233

Highway Division
File 56975
Proj. No. IX-26 (43)
Map No. 9B-30-2

| Station | to | Station | Width on Easterly Side of Center Line |
|---------|----|---------|--|
| 398+42 | | 399+00 | 75 in a straight line to 80 |
| 399+00 | | 399+60 | 80 in a straight line to 85 |
| 399+60 | | 400+40 | 165 in a straight line to 220 |
| 400+40 | | 401+40 | 220 in a straight line to 110 |
| 401+40 | | 402+75 | 110 in a straight line to 120 |

EXCEPT therefrom Parcel 4.

The parcel of land to which this description applies contains 19,300 square feet, more or less.

It is understood that the easement herein granted does not convey any right or interest in the above-described Parcel 10, except for the purposes hereinabove stated, nor prevent Grantor from the use of said property; provided, however, that such use does not interfere with the rights herein granted.

Grantor hereby covenants to and with Grantee, its successors and assigns, that it is the owner of all of the above-described property which is free from encumbrances, except for easements, conditions, and restrictions of record, and will warrant the property herein conveyed and the easement and permit rights herein granted, from all lawful claims whatsoever, except as stated herein.

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

5-25-89
Page 7 - W0

6-21-89

BOOK 2213 PAGE 1234

Highway Division
File 56975
Proj. No. IX-26 (43)
Map No. 9B-30-2

The true and actual consideration received by Grantor for this conveyance is \$1,093,000.00, and the mutual obligations of the State of Oregon Highway Division and The Oregon Worsted Co. set forth in the option agreement dated 3/24/1989. Dated this 14 day of June, 1989.

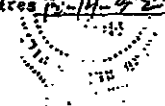
OREGON WORSTED COMPANY

By Nancy Bishop Dietrich
President
By E. R. Holland
Secretary

STATE OF OREGON, County of Multnomah

June 14, 1989 Personally appeared Nancy Bishop Dietrich and E. R. Holland, who, being sworn, stated that they are the President and Secretary of Oregon Worsted Company, and that this instrument was voluntarily signed in behalf of the corporation by authority of its Board of Directors. Before me:

Howard Nelson Dietrich
Notary Public for Oregon
My Commission expires 12-14-92



5-25-89
Page 8 - WD
aef/af

049633

STATE OF OREGON
Multnomah County

I, a Notary for the State of Oregon, do hereby certify that the foregoing instrument was duly and lawfully executed by the parties thereto in and to the County of Multnomah, Oregon, on the day and date therein expressed.

89 JUN 21 PM 2:15

RECORDING SECTION
MULTNOMAH CO. OREGON

At Test

On Page

BOOK 2213 PAGE 1234

Notary of County of Oregon

Howard Nelson Dietrich
Notary

403

BOOK 2366 PAGE 392

Highway Division
File 58823
9B-30-2

ORIGINAL

DONATION DEED

OREGON WORSTED COMPANY, an Oregon corporation, Grantor, conveys unto the STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION, Highway Division, Grantee, fee title to the following described property:

A parcel of land lying in the SW¹/₄ of Section 24, Township 1 South, Range 1 East, W.M., Multnomah County, Oregon and being a portion of that property described in that deed to Oregon Worsted Company, recorded July 31, 1946 in Book 1083, Page 340 of Multnomah County Record of Deeds; the said parcel being that portion of said property lying Southerly of a line parallel with and 40 feet Southerly of the center line of relocated S.E. Tenino Street; Easterly of a line at right angles to said center line at Engineer's Station "T01" 112+08.27 and included in a strip of land variable in width, lying on the Southerly side said center line, which center line is described as follows:

Beginning at Engineer's center line Station "T01" 108+23.38, said station being 402.52 feet North and 641.01 feet East of the Southwest corner of the Jacob Wills D.L.C No. 57, Township 1 South, Range 1 East, W.M.; thence on a 1909.86 foot radius curve right (the long chord of which bears North 88° 00' 23.5" East 347.23 feet) 347.71 feet; thence South 86° 46' 40" East 328.91 feet to Engineer's center line Station "T01" 115+00.

The widths in feet of the strip of land above referred to are as follows:

| Station | to | Station | Width on Southerly Side of Center Line |
|-----------------|----|-----------------|--|
| "T01" 112+08.27 | | "T01" 112+22.42 | 40 in a straight line to 76.28 |
| "T01" 112+22.42 | | "T01" 112+79.32 | 76.28 in a straight line to 64.15 |
| "T01" 112+79.32 | | "T01" 114+00 | 64.15 |

Bearings are based upon the Oregon Co-ordinate System, North Zone.

The parcel of land to which this description applies contains 1,950 square feet, more or less.

TOGETHER WITH ALL abuttar's rights of access between the above-described parcel and Grantor's remaining real property, EXCEPT, however,

Reserving access rights, for the service of Grantor's remaining property, to and from said remaining property to the abutting highway at the following place, in the following width, and for the following purpose:

| Hwy. Engr's Sta. | Side of Hwy. | Width | Purpose |
|------------------|--------------|-------|--------------|
| "T01" 112+50 | S | 40' | unrestricted |

8-8-90

BOOK 2366 PAGE 393

Highway Division
File 58823
9B-30-2

TO HAVE AND TO HOLD, the above mentioned land unto the STATE OF OREGON, by and through its DEPARTMENT OF TRANSPORTATION, Highway Division, for so long as it is needed for highway purposes upon the express condition that if, at any time, the need for highway purposes shall no longer exist such land shall automatically revert to Oregon Worsted Company.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

No monetary consideration is being received by Grantor for this conveyance; the property herein conveyed being a donation to Grantee by Grantor.

Dated this 27 day of August, 1990

OREGON WORSTED COMPANY, an Oregon corporation

By Nancy Bishop Dietrich
President

By E. R. Hollan
Secretary

STATE OF OREGON, County of Multnomah

August 27, 1990. Personally appeared Nancy Bishop Dietrich and E. R. Hollan, who, being sworn, stated that they are the President and Secretary of Oregon Worsted Company, an Oregon corporation, and that this instrument was voluntarily signed in behalf of the corporation by authority of its Board of Directors. Before me:

Nancy Bishop Dietrich
Notary Public for Oregon
My Commission expires 12-1-92

8-8-90
Page 2 - Donation Deed
ekol ael

110251

RETURN TO
OREGON STATE HIGHWAY DIVISION
RIGHT OF WAY SECTION
417 TRANSPORTATION BLDG.
SALEM, OREGON 97310

STATE OF OREGON }
Multnomah County }
I, a Deputy for the Recorder of Companies, in and for
this County, do hereby certify and file the instrument of
said Company, required for filing and transmit the return
90 NOV 30 AM 9:28
RECORDED
MULTNOMAH CO. OREGON
In Book
BOOK 2366 PAGE 392
Witness my hand and seal of office at Salem,
Oregon, this 27th day of August, 1990.
Recorder of Companies
Nancy Bishop Dietrich
Deputy

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