

**RESOLUTION NO URR 08-010**

**A RESOLUTION OF THE CANBY URBAN RENEWAL AGENCY BOARD TO ENTER INTO A CONTRACT TO PURCHASE REAL PROPERTY LOCATED AT 317 NE THIRD STREET, CANBY, OREGON**

**WHEREAS**, the Canby City Council established an Urban Renewal Agency to function within the City pursuant to Ordinance 1032 passed October 6, 1999; and

**WHEREAS**, pursuant to the CMC 2.68.030 the City Council shall exercise all powers, duties rights granted to the Urban Renewal Agency, unless specifically granted by the City Council to the Agency to perform; and

**WHEREAS**, the Urban Renewal Agency is seeking to purchase real property located at 317 NE Third Street in Canby, Oregon in connection with an Urban Renewal District redevelopment project and to enter into a Purchase and Sale Agreement, a copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof; and

**WHEREAS**, City Council approved by Resolution 1010 on November 5, 2008 authorizing the Canby Urban Renewal Agency to purchase the above referenced property and enter into a Purchase and Sale Agreement,

**NOW THEREFORE, IT IS HEREBY RESOLVED** by the City of Canby Urban Renewal Agency approves as follows:

The City Administrator of the City of Canby is further authorized and directed to sign the attached Exhibit "A" on behalf of the Urban Renewal Agency Board and carry out all necessary actions to enter into the Purchase and Sale Agreement and by this reference incorporated herein, to purchase real property located at 317 NE Third Street in Canby, Oregon

This Resolution shall take effect on November 5, 2008

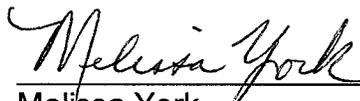
ADOPTED this 5th day of November, 2008, by the City of Canby Urban Renewal Agency.



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Anthony A. Helbling, Chairman

ATTEST:



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Melissa York  
Deputy City Recorder

**SALE AGREEMENT AND  
RECEIPT FOR EARNEST MONEY**

DATE: November 5, 2008

SELLER: DONALD L. KYLLO  
Personal Representative of the Estate of Alice Klohe, Deceased

BUYER: CITY OF CANBY  
ACTING BY AND THROUGH ITS URBAN RENEWAL AGENCY

**Recital**

Seller desires to sell to Buyer and Buyer desires to purchase from Seller certain real property with all improvements located on it commonly known as 317 NE Third Avenue, Canby, Clackamas County, Oregon, having the following legal description (the "Property"):

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See Exhibit A

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**Agreement**

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

1. **Sale and Purchase.** Buyer agrees to purchase the Property from Seller and Seller agrees to sell the Property to Buyer for the sum of \$315,000.00 (the "Purchase Price").
2. **Earnest Money.** Seller hereby acknowledges receipt of the sum of \$1,000.00, evidenced by Buyer's promissory note payable at the time of Closing.
3. **Payment of Purchase Price.** The Purchase Price must be paid as follows:
  - 3.1 At closing, the earnest money will be credited to the Purchase Price.
  - 3.2 At closing, Buyer must pay the balance of the purchase price in cash.
4. **Closing.** Time is of the essence. Closing must take place on a mutually agreed on date, but in no event later than **December 31, 2008** (the "Closing Date"), at the offices of **FIRST AMERICAN TITLE**. The terms *closed*, *closing* or *closing date* mean when the deed is recorded and funds are available to Seller. Each party must pay one-half of the escrow fee.
5. **Preliminary Title Report.** Within 10 days after full execution of this Agreement, Seller will furnish to Buyer a preliminary title report showing the condition of title to the Property, together with copies of all exceptions listed therein (the "Title Report"). Buyer will have 10 days from receipt of the Title Report to review the Title Report and to notify Seller, in

writing, of Buyer's disapproval of any special exceptions shown in the Title Report. Those exceptions the Buyer does not object to are referred to below as the "Permitted Exceptions." Zoning ordinances, building restrictions, taxes that are not yet paid for the current tax year, and reservations in federal patents and state deeds will be deemed Permitted Exceptions. If Buyer notifies Seller in writing of disapproval of any exceptions, Seller will have 15 days after receiving the disapproval notice to either remove the exceptions or provide Buyer with reasonable assurances of the manner in which the exceptions will be removed before the transaction closes (the "Seller Assurance Period"). If Seller does not remove the exceptions or provide Buyer with such assurances, Buyer may terminate this Agreement by written notice to Seller given within 15 days after expiration of the Seller Assurance Period, in which event the earnest money will be refunded to Buyer and, when applicable, this Agreement will be of no further binding effect.

## **6. Conditions**

**6.1** Buyer's obligation to purchase the Property is contingent on satisfaction of each of the following conditions:

**6.1.1** Buyer's approval of its physical inspection of the Property, which may include, but is not limited to, an inspection for hazardous waste (such as asbestos, buried oil tanks, etc). Buyer will have until **November 15, 2008**, to complete its physical inspection of the Property.

**6.2** Buyer and its agents must have full access to the Property for the purpose of conducting Buyer's inspections. Buyer agrees to indemnify and hold Seller harmless from all loss, damage, or liability caused as a result of Buyer or Buyer's agents' access to the Property under this section. If Buyer is not satisfied, in its sole discretion, with the result of Buyer's inspections, Buyer may terminate this Agreement by written notice to Seller given at any time before the applicable date set forth above, in which event the earnest money must be refunded to Buyer. If Buyer fails to give any such notices of termination within the applicable time period, this condition will be deemed to have been waived.

Buyer must have an opportunity to conduct a risk assessment or inspection to determine the presence of lead-based paint or lead-based paint hazards on the property. Buyer may terminate this sale by delivering to Seller written notice of Buyer's disapproval of risk assessment or inspection by **November 15, 2008**. The disclosure of information on lead-based paint and lead-based paint hazards that is attached as Exhibit B is incorporated in this Agreement. If Buyer delivers to Seller a timely notice of disapproval, this Agreement terminates and Seller will promptly refund Buyer's earnest money deposit.

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

**8. Title Insurance.** Within 15 days after closing, Seller must furnish Buyer with an American Land Title Association owner's policy of title insurance in the amount of the purchase price, insuring Buyer as the owner of the Property subject only to the usual printed exceptions and the Permitted Exceptions. Buyer shall be entitled to purchase any special endorsements at Buyer's cost.

**9. Taxes; Prorates.** Real property taxes for the current tax year, insurance premiums (if Buyer assumes the existing policy), and other usual items must be prorated as of the Closing Date.

**10. Possession.** Buyer will be entitled to possession immediately on closing.

**11. Property Included.** The property is being purchased for municipal purposes which will eventually require the removal of the home. At the option of Seller, prior to closing and delivery of possession to Buyer, Seller may elect to remove all built-in appliances, floor coverings, window and door screens (but leaving all windows and doors in tact and fully secure), storm doors and storm windows, irrigation, plumbing, ventilation, cooling and heating fixtures and equipment, water heaters, attached electric light fixtures, window coverings, awnings, attached television antenna, planted shrubs, plants, and trees, and all fixtures. Seller shall not, however, remove anything that could disturb any asbestos materials contained within the house, including but not limited to asbestos containing taping, tiles, wall or ceiling texturing materials, or flooring. All removal must be done in a good and professional manner so as not to create any safety hazard for workers who will come in at a later date to demolish the home. Seller shall not remove anything that might compromise the structural integrity of the house or create a fire hazard. Buyer acknowledges there is no requirement of Seller to remove the above described property.

**12. Personal Property.** There is no personal property included as part of the property being sold to Buyer.

**13. Representations.** Subject to Seller's written representations contained herein, and any statutory property disclosures given as part of this transaction, Buyer acknowledges that Buyer has accepted and executed this Agreement on the basis of Buyer's own examination and personal knowledge of the Property; that Seller and Seller's agents have made no representations, warranties, or other agreements concerning matters relating to the Property; that Seller and Seller's agents have made no agreement or promise to alter, repair, or improve the Property; and that Buyer takes the Property in its present condition "AS IS." Attached as Exhibit C is a Seller's Property Disclosure Statement as required by ORS 105.465.

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

**15. Remedies.** TIME IS OF THE ESSENCE REGARDING THIS AGREEMENT. If the conditions described in Section 6 above are satisfied or waived by Buyer and Buyer fails or refuses to close this transaction, through no fault of Seller, Seller will be entitled to retain or collect all earnest money paid or agreed to be paid, as liquidated damages, and this Agreement will be of no further effect, it being the intention of the parties that Buyer may forfeit the earnest money and be free of any further obligations under this Agreement. If Seller fails to deliver the

deed described in Section 7 above on the Closing Date or otherwise fails or refuses to close this transaction, through no fault of Buyer, all earnest money will be refunded to Buyer. Acceptance by Buyer of the refund will not constitute a waiver of other remedies available to Buyer, it being the intention of the parties that Buyer will retain all available remedies for breach of contract, including but not limited to, the right of specific performance.

**16. Attorney Fees; Jurisdiction.** If an action is instituted to enforce or interpret all or any portion of this Agreement, the prevailing party will recover from the losing party reasonable attorney fees incurred in the action as set by the trial court or arbitrator, as the case may be, and, in the event of appeal, as set by the appellate court. Any action brought to enforce with Agreement will be brought in Clackamas County. Buyer and Seller hereby mutually waive any right to a jury trial and agree to have the matter decided by a Circuit Court judge.

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

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

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

**20. Statutory Warning.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY,

UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11,  
CHAPTER 424, OREGON LAWS 2007.

SELLER:

/s/ Donald L. Kylo  
Donald L. Kylo, Personal Representative  
Estate of Alice Klohe, Deceased

Dated: 10/30, 2008

BUYER:

/s/ Mark Adcock  
City of Canby, Acting by and through its  
Urban Renewal Agency  
Mark Adcock, City Administrator

Dated: 6 Nov '08, 2008

EXHIBIT A – LEGAL DESCRIPTION OF REAL PROPERTY

EXHIBIT B – SELLER'S DISCLOSURE OF INFORMATION ON LEAD BASED PAINT

EXHIBIT C – SELLER'S PROPERTY DISCLOSURE STATEMENT

**EXHIBIT "A"**

**Legal Description of Real Property Owned by Alice E. Klohe**

Description of residence and 0.31 acre lot at 317 N.E. 3<sup>rd</sup> Ave., Canby, Clackamas County, Oregon:

A tract of land located in the Philander Lee Claim No. 56 in Section 33, T3S, R1E, WM, in the County of Clackamas and State of Oregon, described as follows:

**Parcel I:**

Beginning at an iron pipe that is located in the Northeasterly extension of the Southeasterly boundary of Third Street in the City of Canby, that is South 27°00' East 80.00 feet distant and North 63°00' East 350.00 feet distant from the most Southerly corner of Block 2 of the Plat of Lee's Addition to Canby, Oregon, a Townplat recorded in Book 4 on page 15, Record of Townplats for Clackamas County, Oregon: from said beginning point thence South 27°00' East 115.00 feet to an iron pipe; thence North 63°00' East 50.00 feet to an iron pipe; thence North 27°00' West 115.00 feet to an iron pipe in the said Southeasterly boundary of Third Street; thence South 63°00' West 50.00 feet along said boundary of Third Street to the place of beginning of the tract herein described, containing 5750.00 square feet, more or less.

**Parcel II:**

Beginning at an iron pipe that is located in the Northeasterly extension of the Southeasterly boundary of Third Street in the City of Canby, that is South 27°00' East 80.00 feet distant and North 63°00' East 400.00 feet distant from the most Southerly corner of Block 2 of the Plat of Lee's Addition to Canby, Oregon, a Townplat recorded in Book 4 on page 15, Record of Townplats for Clackamas County, Oregon: from said beginning point thence North 63°00' East 68.69 feet, more or less, to an iron pipe located at the most Westerly corner of the tract of land described in that certain conveyance from Warren and Jane Lee to B.F. Pfister and recorded March 17, 1920 in Book 157 on Page 217, Record of Deeds for Clackamas County, Oregon; thence following the Northwesterly boundary of the said Pfister tract South 27° 00' East 115.00 feet to an iron pipe; thence South 63°00' West 68.69 feet, more or less, to an iron pipe; thence North 27°00' West 115.00 feet to the place of beginning of the tract herein described, containing 7899.35 square feet, more or less.

Assessor's Acct. #00795349; T3S, R1E; Section 33DB; Tax Lot 02400.

**Exhibit B Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards**

**Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Seller's Disclosure (initial)**

(a) Presence of lead-based paint and/or lead-based paint hazards (check one below):  
 Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): \_\_\_\_\_

*DLR* Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check one below):  
 Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

*DLR* Seller has no reports or records pertaining to lead-based paint in the housing.

**Purchaser's Acknowledgment (initial)**

(c) Purchaser has received copies of all information listed above.  
 (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

*DLR* (e) Purchaser has (check one below):  
 Received a 10-day opportunity (or mutually-agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or  
 Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agent's Acknowledgment (initial):**

(f) Agent has informed the seller of the seller's obligations under 42 USC §4852(d) and is aware of his/her responsibility to ensure compliance.

**Certification of Accuracy**

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

Dorced L. Kelly 10/27/08  
Seller *Personal Sale* Date

N/A  
Seller Date

Mark Adcock 11/6/08  
Purchaser Date  
Mark Adcock, City Administrator

N/A  
Purchaser Date

\_\_\_\_\_  
Agent Date

\_\_\_\_\_  
Agent Date

**NOTE**

**(Earnest Money)**

Buyer: CITY OF CANBY, Acting by and through its Urban Renewal Agency

Seller: Donald L. Kylo, Personal Representative of the Estate of Alice Klohe, Deceased

Description of Property:

317 NE Third Avenue, Canby, Clackamas County, Oregon.

**Terms and Provisions**

- A. Buyer jointly and severally promise to pay to:
- Seller:
  - Title Company: FIRST AMERICAN TITLE COMPANY
  - Other:
- the sum of \$1,000.00
- B. This Note is due and payable:
- days after mutual acceptance of the Real Estate Sale Agreement and Receipt for Earnest Money;
  - on or before Closing. Closing date shall not be later than December 31, 2008.
- C. This Note is part of the Real Estate Sale Agreement and Receipt of Earnest Money executed contemporaneously with this note.

6 Nov 2008  
(Date)

Mark Adcock  
Buyer: City of Canby, Acting by and through its  
Urban Renewal Agency  
Mark Adcock, City Administrator

10-27-08  
(Date)

Donald L. Kylo  
Seller: Donald L. Kylo, Personal Representative of  
the Estate of Alice Klohe, Deceased

SELLER'S PROPERTY DISCLOSURE STATEMENT (Page 1)

Not a Warranty (ORS 105.464)

If required under ORS 105.465, a seller shall deliver in substantially the following form the seller's property disclosure statement to each buyer who makes a written offer to purchase real property in this state:

Instructions to the Seller

Please complete the following form. Do not leave any spaces blank. Please refer to the line number(s) of the question(s) when you provide your explanation(s). If you are not claiming an exclusion or refusing to provide the form under ORS 105.475(4), you should date and sign each page of this disclosure statement and each attachment.

Each seller of residential property described in ORS 105.465 must deliver this form to each buyer who makes a written offer to purchase. Under ORS 105.475(4), refusal to provide this form gives the buyer the right to revoke the offer at any time prior to closing the transaction. Use only the section(s) of the form that apply to the transaction for which the form is used. If you are claiming an exclusion under ORS 105.470, fill out only Section 1.

An exclusion may be claimed only if the seller qualifies for the exclusion under the law. If not excluded, the seller must disclose the condition of the property or the buyer may revoke their offer to purchase anytime prior to closing the transaction. Questions regarding the legal consequences of the seller's choice should be directed to a qualified attorney.

Section 1. Exclusion from ORS 105.465 to 105.490 - DO NOT Fill Out This Section Unless You Are Claiming an Exclusion Under ORS 105.470.

You may claim an exclusion under ORS 105.470 only if you qualify under the statute. If you are not claiming an exclusion, you must fill out Section 2 of this form completely.

Initial only the exclusion you wish to claim.

This is the first sale of a dwelling never occupied. The dwelling is constructed or installed under building or installation permit(s) # \_\_\_\_\_, issued by \_\_\_\_\_

This sale is by a financial institution that acquired the property as custodian, agent or trustee, or by foreclosure or deed in lieu of foreclosure.

AKK The seller is a court appointed receiver, personal representative, trustee, conservator or guardian.

This sale or transfer is by a governmental agency.

Signature of Seller Claiming Exclusion, Print or Type Name, Date, Signature of Buyer to Acknowledge Seller's Claim, Print or Type Name, Date

Section 2. Seller's Property Disclosure Statement - If You Did Not Claim an Exclusion in Section 1, You Must Fill Out This Section.

NOTICE TO THE BUYER: THE FOLLOWING REPRESENTATIONS ARE MADE BY THE SELLER(S) CONCERNING THE CONDITION OF THE PROPERTY LOCATED AT ("THE PROPERTY").

DISCLOSURES CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF DISCLOSURE. YOU HAVE FIVE DAYS FROM THE SELLER'S DELIVERY OF THIS SELLER'S DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE SELLER DISAPPROVING THE SELLER'S DISCLOSURE STATEMENT, UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE AGREEMENT.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY, YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF A QUALIFIED SPECIALIST TO INSPECT THE PROPERTY ON YOUR BEHALF, INCLUDING, FOR EXAMPLE, ONE OR MORE OF THE FOLLOWING: ARCHITECTS, ENGINEERS, PLUMBERS, ELECTRICIANS, ROOFERS, ENVIRONMENTAL INSPECTORS, BUILDING INSPECTORS, CERTIFIED HOME INSPECTORS, OR PEST AND DRY ROT INSPECTORS.

Seller is or is not (indicate which) occupying the property.

I. Seller's Representations: The following are representations made by the seller and are not the representations of any financial institution that may have made or may make a loan pertaining to the property, or that may have or take a security interest in the property, or any real estate licensee engaged by the seller or the buyer.

- 1. TITLE
A. Do you have legal authority to sell the property?
\*B. Is title to the property subject to any of the following:
(1) First right of refusal?
(2) Option?
(3) Lease or rental agreement?
(4) Other listing?
(5) Life estate?
\*C. Are there any encroachments, boundary agreements, boundary disputes or recent boundary changes?
\*D. Are there any rights of way, easements, licenses, access limitations or claims that may affect your interest in the property?
\*E. Are there any agreements for joint maintenance of an easement or right of way?
\*F. Are there any governmental studies, designations, zoning overlays, surveys or notices that would affect the property?
\*G. Are there any pending or existing governmental assessments against the property?
\*H. Are there any zoning violations or nonconforming uses?
\*I. Is there a boundary survey for the property?
\*J. Are there any covenants, conditions, restrictions or private assessments that affect the property?
\*K. Is the property subject to any special tax assessment or tax treatment that may result in levy of additional taxes if the property is sold?

- 2. WATER
A. Household water
(1) The source of the water is (check ALL that apply): Public Community Private Other

Seller's Signature, Print or Type Name, Date

**SELLER'S PROPERTY DISCLOSURE STATEMENT (Page 2)**

Not a Warranty  
(ORS 105.464)

**2. WATER (Continued)**

(2) Water source information:

- \* a. Does the water source require a water permit?  Yes  No  Unknown
- If yes, do you have a permit?  YES  NO
- b. Is the water source located on the property?  Yes  No  Unknown
- \* If not, are there any written agreements for a shared water source?  Yes  No  Unknown  N/A
- \* c. Is there an easement (recorded or unrecorded) for your access to or maintenance of the water source?  Yes  No  Unknown
- d. If the source of water is from a well or spring, have you had any of the following in the past 12 months?  Flow test  Bacteria test  Chemical contents test  Yes  No  Unknown  N/A
- \* e. Are there any water source plumbing problems or needed repairs?  Yes  No  Unknown
- (3) Are there any water treatment systems for the property?  Leased  Owned  Yes  No  Unknown

**B. Irrigation**

- (1) Are there any  water rights or  other irrigation rights for the property?  Yes  No  Unknown
- \* (2) If any exist, has the irrigation water been used during the last five-year period?  Yes  No  Unknown  N/A
- \* (3) Is there a water rights certificate or other written evidence available?  Yes  No  Unknown  N/A

**C. Outdoor sprinkler system**

- (1) Is there an outdoor sprinkler system for the property?  Yes  No  Unknown
- (2) Has a back flow valve been installed?  Yes  No  Unknown  N/A
- (3) Is the outdoor sprinkler system operable?  Yes  No  Unknown  N/A

**3. SEWAGE SYSTEM**

- A. Is the property connected to a public or community sewer system?  Yes  No  Unknown
- B. Are there any new public or community sewage systems proposed for the property?  Yes  No  Unknown
- C. Is the property connected to an on-site septic system?  Yes  No  Unknown
- If yes, was it installed by permit?  Yes  No  Unknown  N/A
- \* Has the system been repaired or altered?  Yes  No  Unknown
- Has the condition of the system been evaluated and a report issued?  Yes  No  Unknown
- Has it ever been pumped?  Yes  No  Unknown  N/A
- If yes, when? \_\_\_\_\_
- \* D. Are there any sewage system problems or needed repairs?  Yes  No  Unknown
- E. Does your sewer system require on-site pumping to another level?  Yes  No  Unknown

**4. DWELLING INSULATION**

- A. Is there insulation in the:
  - (1) Ceiling?  Yes  No  Unknown
  - (2) Exterior walls?  Yes  No  Unknown
  - (3) Floors?  Yes  No  Unknown
- B. Are there any defective insulated doors or windows?  Yes  No  Unknown

**5. DWELLING STRUCTURE**

- \* A. Has the roof leaked?  Yes  No  Unknown  N/A
- If yes, has it been repaired? \_\_\_\_\_
- B. Are there any additions, conversions or remodeling?  Yes  No  Unknown
- If yes, was a building permit required?  Yes  No  Unknown  N/A
- If yes, was a building permit obtained?  Yes  No  Unknown  N/A
- If yes, was final inspection obtained?  Yes  No  Unknown  N/A
- C. Are there smoke alarms or detectors?  Yes  No  Unknown
- D. Is there a woodstove included in the sale? Make \_\_\_\_\_
- E. Has pest and dry rot, structural or "whole house" inspection been done within the last three years?  Yes  No  Unknown
- \* F. Are there any moisture problems, areas of water penetration, mildew odors or other moisture conditions (especially in the basement)?  Yes  No  Unknown
- \* If yes, explain on attached sheet the frequency and extent of problem and any insurance claims, repairs or remediation done.
- G. Is there a sump pump on the property?  Yes  No  Unknown
- H. Are there any materials used in the construction of the structure that are or have been the subject of a recall, class action suit, settlement or litigation?  Yes  No  Unknown
- If yes, what are the materials? \_\_\_\_\_
- (1) Are there problems with the materials?  Yes  No  Unknown  N/A
- (2) Are the materials covered by a warranty?  Yes  No  Unknown  N/A
- (3) Have the materials been inspected?  Yes  No  Unknown  N/A
- (4) Have there ever been claims filed for these materials by you or by previous owners?  Yes  No  Unknown  N/A
- If yes, when? \_\_\_\_\_
- (5) Was money received?  Yes  No  Unknown  N/A
- (6) Were any of the materials repaired or replaced?  Yes  No  Unknown  N/A

**6. DWELLING SYSTEMS AND FIXTURES**

- If the following systems or fixtures are included in the purchase price, are they in good working order on the date this form is signed?
- A. Electrical system, including wiring, switches, outlets and service  Yes  No  Unknown
  - B. Plumbing system, including pipes, faucets, fixtures and toilets  Yes  No  Unknown
  - C. Water heater tank  Yes  No  Unknown
  - D. Garbage disposal  Yes  No  Unknown  N/A
  - E. Built-in range and oven  Yes  No  Unknown  N/A
  - F. Built-in dishwasher  Yes  No  Unknown  N/A
  - G. Sump pump  Yes  No  Unknown  N/A
  - H. Heating and cooling systems  Yes  No  Unknown  N/A
  - I. Security system  Owned  Leased  Yes  No  Unknown  N/A
  - J. Are there any materials or products used in the systems and fixtures that are or have been the subject of a recall, class action settlement or other litigations?  Yes  No  Unknown
  - If yes, what product? \_\_\_\_\_
  - (1) Are the problems with the product?  Yes  No  Unknown
  - (2) Is the product covered by a warranty?  Yes  No  Unknown
  - (3) Has the product been inspected?  Yes  No  Unknown

-----  
 Seller's Signature Print or Type Name Date  
 -----  
 Seller's Signature Print or Type Name Date  
 -----

\*If yes, attach a copy or explain on attached sheet.

(continued on page 3)

NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS.

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SELLER'S PROPERTY DISCLOSURE STATEMENT (Page 3)

Not a Warranty
(ORS 105.464)

6. DWELLING SYSTEMS AND FIXTURES (Continued)

- (4) Have claims been filed for this product by you or by previous owners?
(5) Was money received?
(6) Were any of the materials or products repaired or replaced?

7. COMMON INTEREST

- A. Is there a Home Owners' Association or other governing entity?
B. Regular periodic assessments: \$ per Month Year Other
\* C. Are there any pending or proposed special assessments?
D. Are there shared "common areas" or joint maintenance agreements...
E. Is the Home Owners' Association or other governing entity a party to pending litigation...
F. Is the property in violation of recorded covenants, conditions and restrictions...

8. GENERAL

- A. Are there problems with settling soil, standing water or drainage...
B. Does the property contain fill?
C. Is there any material damage to the property or any of the structure(s) from fire, wind, floods...
D. Is the property in a designated flood plain?
E. Is the property in a designated slide or other geologic hazard zone?
\* F. Has any portion of the property been tested or treated for asbestos, formaldehyde, radon gas...
G. Are there any tanks or underground storage tanks...
H. Has the property ever been used as an illegal drug manufacturing site?

9. FULL DISCLOSURE BY SELLERS

- \* A. Are there any other material defects affecting this property or its value that a prospective buyer should know about?
\* If yes, describe the defect on attached sheet and explain the frequency and extent of the problem and any insurance claims, repairs or remediation.
B. Verification:
The foregoing answers and attached explanations (if any) are complete and correct to the best of my/our knowledge and I/we have received a copy of this disclosure statement...

Seller's Signature Print or Type Name Date
Seller's Signature Print or Type Name Date

\*If yes, attach a copy or explain on attached sheet.

II. Buyer's Acknowledgment

- A. As buyer(s), I/we acknowledge the duty to pay diligent attention to any material defects that are known to me/us or can be known by me/us by utilizing diligent attention and observation.
B. Each buyer acknowledges and understands that the disclosures set forth in this statement and in any amendments to this statement are made only by the seller and are not the representations of any financial institution...
C. Buyer (which term includes all persons signing the "buyer's acknowledgment" portion of this disclosure statement below) hereby acknowledges receipt of a copy of this disclosure statement...

DISCLOSURES, IF ANY, CONTAINED IN THIS FORM ARE PROVIDED BY THE SELLER ON THE BASIS OF SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME OF DISCLOSURE. IF THE SELLER HAS FILLED OUT SECTION 2 OF THIS FORM, YOU, THE BUYER, HAVE FIVE DAYS FROM THE SELLER'S DELIVERY OF THIS DISCLOSURE STATEMENT TO REVOKE YOUR OFFER BY DELIVERING YOUR SEPARATE SIGNED WRITTEN STATEMENT OF REVOCATION TO THE SELLER DISAPPROVING THE SELLER'S DISCLOSURE UNLESS YOU WAIVE THIS RIGHT AT OR PRIOR TO ENTERING INTO A SALE AGREEMENT.

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS SELLER'S PROPERTY DISCLOSURE STATEMENT.
Mark Adcock, City Administrator
Buyer's Signature Print or Type Name Date

Buyer's Signature Print or Type Name Date

Agent receiving disclosure statement on buyer's behalf to sign and date:

Real Estate Licensee's Signature Print or Type Name Real Estate Business Date

**NOTE**

**(Earnest Money)**

Buyer: CITY OF CANBY, Acting by and through its Urban Renewal Agency

Seller: Donald L. Kylo, Personal Representative of the Estate of Alice Klohe, Deceased

Description of Property:

317 NE Third Avenue, Canby, Clackamas County, Oregon.

**Terms and Provisions**

- A. Buyer jointly and severally promise to pay to:
- Seller:
  - Title Company: FIRST AMERICAN TITLE COMPANY
  - Other:
- the sum of \$1,000.00
- B. This Note is due and payable:
- days after mutual acceptance of the Real Estate Sale Agreement and Receipt for Earnest Money;
  - on or before Closing. Closing date shall not be later than December 31, 2008.
- C. This Note is part of the Real Estate Sale Agreement and Receipt of Earnest Money executed contemporaneously with this note.

6 Nov 2008  
(Date)

Mark Adcock  
Buyer: City of Canby, Acting by and through its  
Urban Renewal Agency  
Mark Adcock, City Administrator

10-27-08  
(Date)

Donald L. Kylo  
Seller: Donald L. Kylo, Personal Representative of  
the Estate of Alice Klohe, Deceased