



Gary Barth  
Director

**BUSINESS AND COMMUNITY SERVICES**

Development Services Building  
150 Beaver Creek Road Oregon City, OR 97045

March 10, 2016

Board of County Commissioner  
Clackamas County

Members of the Board:

Approval of a Purchase and Sale Agreement with Western Rivers Conservancy  
for the Conveyance of Real Property

<b>Purpose/Outcomes</b>	Provides for the sale of a 188.5 acre parcel of unimproved timberland property to Western Rivers Conservancy who in turn will transfer title to the Bureau of Land Management to be included as part of the Sandy Ridge Trail System.
<b>Dollar Amount and Fiscal Impact</b>	Purchase price of \$867,500 per appraised value to be received by County Parks & Forest.
<b>Funding Source</b>	Land and Water Conservation Funds
<b>Duration</b>	180 day contingency period from date of signing.
<b>Previous Board Action</b>	The Board last reviewed and approved this action on August 4, 2015
<b>Strategic Plan Alignment</b>	1. Provide timberland asset management to sustainably fund and operate County Parks & Forest operations. 2. Honor, Utilize, Promote and Invest in our Natural Resources
<b>Contact Person</b>	Rick Gruen, County Parks & Forest Manager – 503-742-4345
<b>Contract No.</b>	N/A

**BACKGROUND:**

Clackamas County owns and manages 3,000 acres of timberlands. Long term asset management is needed to sustainably generate timber sales to support County Park operational and capital requirements. The Forest Management Plan identifies certain properties as Tier 2, or no longer suited as an asset in the timberland portfolio. This property has emerging constraints as a timberland asset due to increasing demands for outdoor recreation and wildlife habitat in the surrounding Sandy Ridge Trail system owned by the BLM. County Parks & Forest will reinvest the proceeds by acquiring replacement timberland more conducive to timber production and harvesting. The Board reviewed considerations for a sale of the property on August 4, 2015 and directed staff to move forward, contingent upon County Parks & Forest staff being able to find suitable replacement timberland. The Purchase and Sale Agreement reflects this consideration.

County Counsel has reviewed and approved the language of this Purchase and Sale Agreement.

**RECOMMENDATION:**

Staff recommends the Board approve the attached Purchase and Sale Agreement and authorizes the Director of Business and Community Services to sign on behalf of Clackamas County.

Respectfully submitted,

Gary Barth, Director  
Business and Community Services Director

## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is entered into February \_\_\_\_\_, 2016, by and between CLACKAMAS COUNTY, OREGON, a body politic and corporate of the State of Oregon (hereinafter referred to as "Seller"), and WESTERN RIVERS CONSERVANCY, a nonprofit Oregon corporation (hereinafter referred to as "Buyer").

### Recitals

A. The addresses and telephone numbers of the parties to this Agreement are as follows. Telephone numbers are included for information only.

**Seller:**

Clackamas County  
Attn: Gary Barth  
Business and Community Services Department  
150 Beaver Creek Rd.  
Oregon City, OR 97045  
503/742-4299  
[GaryBar@co.clackamas.or.us](mailto:GaryBar@co.clackamas.or.us)

**Copies of any notice to Seller should also be sent to:**

Clackamas County  
Attn: Rick Gruen, Manager  
County Parks & Forest/Ag and Forest Economic Development  
150 Beaver Creek Rd.  
Oregon City, OR 97045  
503/742-4345  
[RGruen@co.clackamas.or.us](mailto:RGruen@co.clackamas.or.us)

Clackamas County  
Attn: Laura Zentner, Deputy Director  
Business and Community Services  
150 Beaver Creek Rd.  
Oregon City, OR 97045  
503/742-4351  
[lzentner@co.clackamas.or.us](mailto:lzentner@co.clackamas.or.us)

**Buyer:**

Western Rivers Conservancy  
71 SW Oak Street - #100  
Portland, OR 97204  
Attn: Sue Doroff  
503/241-0151  
[sdoroff@westernrivers.org](mailto:sdoroff@westernrivers.org)

**Copies of any notice to Buyer should also be sent to:**

Western Rivers Conservancy  
71 SW Oak Street - #100  
Portland, OR 97204  
Attn: Josh Kling  
503/241-0151  
[jkling@westernrivers.org](mailto:jkling@westernrivers.org)

Western Rivers Conservancy  
71 SW Oak Street, #100  
Portland, OR 97204  
Attn: Rob Griffith  
503/241-0151  
[rgriffith@westernrivers.org](mailto:rgriffith@westernrivers.org)

B. Seller is the owner of 188.5 acres (more or less) of real property located in Clackamas County, Oregon, and more particularly described at Exhibit A attached hereto. Said real property shall include any and all appurtenances, including but not limited to improvements, fixtures, water, timber, minerals, water rights, overflow rights, water, ditch or irrigation company shares, gravel permits relating to the real property, access rights and grazing rights, and shall be referred to in this Agreement as the "Property." For clarification, the Property does not include the adjacent quarry property more fully described in Section 4.2 below.

C. Seller acknowledges that Buyer is entering into this Agreement in its own right, and that Buyer is not an agent of any governmental agency or entity.

D. Buyer is a conservation organization having among its purposes the acquisition on behalf of the public of open space, scenic and recreational lands. Buyer represents to Seller that it is exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, and that Buyer is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

**The Parties Agree As Follows:**

1. Purchase and Sale. Seller hereby agrees to sell, and Buyer hereby agrees to buy, the Property on the terms and conditions as set forth in this Agreement, subject to the contingencies set forth in Section 6 below.

2. Purchase Price. The purchase price for the Property shall be Eight Hundred Sixty-Seven Thousand Five Hundred Dollars (\$867,500) (the "Purchase Price") to be paid to Seller through escrow at the Closing (as set forth in Section 3). Within ten (10) days after the date of execution of this Agreement by the parties hereto, Buyer shall pay to Escrow Agent on behalf of Seller a payment in the amount of Twenty-Five Thousand Dollars (\$25,000), to be held as Earnest Money in accordance with the terms of this Agreement. The Earnest Money shall be refundable until the earlier of Buyer's waiver or satisfaction of the Due Diligence Period. In the event that the purchase and sale of this Property is closed, the Earnest Money shall be credited and applied against the purchase price at Closing (as defined below).

3. Escrow and Closing. Immediately upon execution of this Agreement the parties shall open an escrow with Chicago Title Insurance Co., 10151 SE Sunnyside Road, Suite300, Clackamas, OR 97015, phone 503/794-5865 Attn: Kathy Eichler (the "Escrow Holder") for the purpose of closing the purchase and sale of the Property. At the Closing, which shall occur on or before September 30, 2016 (the "Closing Date"), Seller shall sell and Buyer shall buy the Property. The parties further agree that either party may have one (1) extension of the Closing Date for a period of one hundred twenty (120) additional days at no cost to either party.

3.1 Seller Conditions to Closing. On or before the date of Closing, Buyer shall have delivered into escrow the following:

- a. Purchase Price. The Purchase Price in accordance with Section 2 above.
- b. Proof of Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer, as may be reasonably required by the Escrow Holder and/or the Seller.

4. Deed and Other Conveyances. At Closing, Seller shall convey marketable title to the Property to Buyer by Statutory Warranty Deed. Seller shall transfer any applicable water entitlements in the manner set forth in subsection 4.1 hereunder, and the title to any personal property shall be by Bill of Sale executed by Seller and delivered at closing.

4.1 Water Entitlements. The Property may have appurtenant water rights. Seller shall cooperate with Buyer to assist Buyer in completing and filing with the State of Oregon Water Resources Department a "Water Right Ownership Update Form" and/or "Request for Assignment" for the water rights relating to the Property, if any. Buyer shall be responsible for the filing of such requests for assignments, and for the payment of any fees required to be paid for the filing of said forms.

4.2 Partition from Gravel Quarry. Prior to Closing, Seller shall verify legal description and have partitioned from the Property Seller's gravel quarry (the "Quarry Partition") which quarry is legally described as follows: "commencing at the Northeast corner of the Northwest one-quarter of the Southwest one-quarter of Section 24, Township 2 south, Range 6 East, Willamette Meridian; thence along the Eastern line of said Northwest one-quarter of the Southwest one-quarter South 00° 30'04" East, 592.60 feet to the true point of beginning; thence South 81°57'02 "West, 938.00 feet; thence parallel to said Eastern line, South 00° 30'04" East, 547.16 feet, more or less, to the northern right-of-way-of E. Barlow Trail Road; thence Easterly along said Northern right-of-way line 985 feet, more or less, to the Eastern line of said Northwest one-quarter; thence along said Eastern line North 00° 30'04" West, 388.14 feet to the point off beginning" all located in Clackamas County, Oregon. It shall be a condition precedent to Buyer's obligation to close that the quarry property shall have been legally segregated from the Property so that the Property constitutes one or more legally salable lots.

5. Title Insurance. At Closing Seller shall, at Buyer's expense, provide Buyer with an ALTA basic coverage owner's policy of title insurance in the amount of the Purchase Price insuring that title to Property is vested in Buyer upon close of escrow, subject only to the exceptions shown in the title report not objected to by Buyer during the due diligence period provided for in Section 6. If Buyer objects to exceptions as set forth in subsection 6.3, then Seller may elect to remove the exceptions objected to as set forth in subsection 6.3. If Seller is unable or unwilling to remove any or all of the exceptions objected to by Buyer, Buyer shall have the election to proceed with the Closing and take title subject to the exceptions objected to, or by written notice to Seller to decline to proceed to Closing, in which event this Agreement shall be null and void and the Earnest Money shall be returned to Buyer.

6. Buyer's Contingencies.

6.1 Buyer's Board Approval Contingency. This Agreement shall be expressly contingent upon, and shall not be binding upon Buyer until, approval by the Buyer's Board of Directors, which shall be obtained within ninety (90) days after the execution of this Agreement (the "Due Diligence Period"). Buyer shall notify Seller when the Agreement is either approved or disapproved by Buyer's Board of Directors no later than five (5) business days following the end of such period.

6.2 Environmental Inspection. During the Due Diligence Period, and until Closing, Buyer and its contractors and agents shall have the right to enter the Property to conduct environmental and other assessments and inspections, including but not limited to a "Phase I" environmental assessment, subject to the requirements of Section 10 below. In the event that Buyer's Phase I assessment indicates that remedial actions to the Property are required, Buyer, at Buyer's sole discretion may elect to cancel the transaction and require the return of any Earnest Money (including interest thereon, if any) paid by Buyer to Seller, or Buyer may request that the parties agree to work together to resolve such problems prior to Closing; provided that Seller may determine not to complete any remedial action, may release all Earnest Money and interest, if any, to Buyer and cancel the transaction and terminate this Agreement.

6.3 Title Review. Following execution of this Agreement, Seller shall cause the Escrow Agent to deliver to Buyer a preliminary title policy (the "PTP") covering the Property together with legible copies of all exceptions listed therein. Then, within thirty (30) days following Buyer's receipt of the PTP Buyer shall advise Seller in writing of any liens, encumbrances or other defects or exceptions in or to title to the Property reflected in the PTP to which Buyer is unwilling to accept title (collectively, the "Unacceptable Exceptions") (and each an "Objection"). Failure of Buyer to provide such written notice within such thirty (30) day period shall be deemed an election by Buyer to waive any Unacceptable Exceptions disclosed in such PTP and the basis for the Objection and to accept such title as Seller is able to convey without any reduction in the Purchase Price. Within thirty (30) calendar days following Seller's receipt of Buyer's Objection (the "Response Period"), if any, Seller shall advise Buyer in writing whether it intends to correct such Unacceptable Exceptions. If Seller fails within such thirty (30) calendar day period to notify Buyer that Seller will cure the Unacceptable Exceptions, then Buyer shall have the option, as its sole remedy for the failure of Seller to eliminate any Unacceptable Exceptions, either to (i) accept title to the Property subject to such Unacceptable Exceptions (in which case the Unacceptable Exceptions will thereafter be Permitted Exceptions) without any adjustment in the Purchase Price, or (ii) terminate this Agreement, in which case the Earnest Money and any interest earned thereon shall be returned to Buyer. If Buyer does not, by notice to Seller within fifteen (15) days after the end of such Response Period, so terminate, Buyer shall be deemed to have accepted the Unacceptable Exceptions. If Seller commits to cure the Unacceptable Exceptions, but Seller fails to remove such Unacceptable Exceptions from title to the Property by the Closing Date, Buyer shall have the right to terminate this Agreement and receive a refund of the Earnest Money and any interest earned thereon.

If Buyer notifies Seller in writing on or before the end of the Due Diligence Period that it declines to proceed with its purchase under this Agreement then the Seller shall return the entire Earnest Money to Buyer, this Agreement shall be null and void, and Buyer shall, if requested by Seller, provide to Seller a quitclaim deed to the Property in a form suitable for recordation.

6.4 Relocation of Occupants. The Property is unoccupied and will be so at Closing. At Closing, if requested by Buyer, Seller shall execute and deliver to Buyer any documents reasonably required by Buyer to evidence such status of the Property.

7. Mutual Termination Right. Notwithstanding any other provision of this Agreement, until August 31, 2016, either party may unilaterally terminate this Agreement for any reason or no reason. Termination shall be by written notice delivered to the other party no later than August 31, 2016. In the event of such termination, the Earnest Money shall be returned to Buyer and neither party shall have any further obligation to the other. Upon written notice from either party to the other, the period for such termination may be extended up to an additional ninety (90) days, with a concomitant extension of the anticipated Closing date.

8. Seller' Representations. Seller makes the following representations and warranties:

a. Seller and each of those signing on behalf of Seller have full power and authority to enter into this Agreement, and to sell the Property in accordance with this Agreement.

b. No one other than Seller will be in possession of any portion of the Property at Closing, except as permitted under Section 13 below, any of the permitted exceptions in the title policy, or as otherwise approved in writing by Buyer.

c. To Seller's knowledge (that is the knowledge of Gary Barth and Rick Gruen) as to the Property or any portion thereof or interest therein, upon the date hereof and at the time of Closing there is no:

(1) Suit, action, arbitration, legal, administrative or other proceeding or inquiry pending or threatened against the Property, or against Seller, which could affect Seller's title to the Property, could affect the value of the Property, or could subject an owner of the Property to liability.

(2) Intended public improvement which will result in the creation of any lien upon the Property or any portion thereof.

(3) Uncured notice which has been served upon Seller from any governmental agency notifying Seller of any violation of law, ordinance, rule or regulation which would affect the Property or any portion thereof.

(4) Actual or impending mechanic's or materialman's lien against the Property or any portion thereof.

(5) Except as already disclosed, notice or other information giving Seller reason to believe that any conditions existing on the Property or in the ground or surface waters associated with the Property may subject the owner of the Property to potential liabilities under environmental laws.

(6) Except in the ordinary course of business as currently operated, lease, license, permit, option, right of first refusal or other agreement, written or oral, which affects the Property or any portion thereof.

(7) Seller has no knowledge of any hazardous or toxic waste or substance or other contaminant or pollutant (as defined by applicable law) in existence, nor does Seller have any knowledge of any having been released, manufactured, stored or discharged on or below the surface of the Property which would constitute a violation of any law, ordinance, rule or regulation of any governmental entity having jurisdiction thereof, or which subjects or may subject Buyer to liability to third parties.

d. Neither the signing of this Agreement nor the sale of the Property will constitute a breach or default under any agreement by which Seller is bound and/or to which the Property is subject.

e. Seller has fulfilled all of the requirements contained in ORS 275.330 for the sale of the Property, or the Property is not subject to the requirements of ORS 275.330.

Each of the above representations is material and is relied upon by Buyer and shall survive the Closing of the Property. Should any of the above representations cease to be true at any time prior to Closing, or if the condition of the Property (including the condition of title, the environmental condition or the physical aspects of the Property) shall have materially and adversely changed at any time prior to Closing, Seller shall, as soon as reasonably practical, so advise Buyer in writing. If the problem is not remedied before Closing, Buyer may elect to either: (a) terminate this Agreement in which case Seller shall refund to Buyer all sums paid to Seller under this Agreement and Buyer shall deliver to Seller a Quitclaim Deed, in form suitable for recordation, (b) defer the Closing Date for a period not exceeding sixty (60) days until such problem has been remedied, or (c) proceed with the purchase of the Property subject to such problem.

Except for the representations and warranties of Seller contained in this Section 8 and subject to Buyer's due diligence under Section 6, Buyer represents that (i) it has accepted and executed this Agreement on the basis of its own examination and personal knowledge of the Property, (ii) Seller and Seller's agents have made no representations, warranties or other agreements concerning matters relating to the Property, and (iii) Buyer takes the Property in the condition, known or unknown, with all defects, existing at the time of this Agreement, "AS-IS."

9. Remedies Upon Default. In the event either party defaults in the performance of any of its obligations under this Agreement, the other party shall, in addition to other remedies provided in this Agreement or by law or equity, have the right of specific performance.

10. Right To Enter For Inspection. At a reasonable time as mutually agreed during the term of this Agreement, Buyer, through its employees and agents, may enter upon the Property for the purpose of making such inspections and investigations as Buyer deems appropriate relating to any aspect of the Property. Before entering the Property, Buyer shall notify Seller of their intent to inspect or investigate and obtain advance permission from the Seller, which permission shall not be unreasonably withheld, conditioned or delayed. All such inspections shall be at Buyer's risk and expense. Buyer will indemnify and hold Seller harmless from any liability resulting from any act of Buyer, its agents, employees and representatives in

connection with such inspections and will repair any damage or diminution of value caused thereby.

11. Prorations and Fees. Real property taxes on the various portions of the Property, if any, shall be prorated as of the Closing Date based upon the latest available tax bill. Buyer acknowledges that the Property is not currently assessed for property taxes as its current owner is a public entity, and that Buyer will be responsible for and shall pay all real property taxes arising after the Closing Date. Buyer shall pay for the title insurance policy specified in Section 5. Buyer shall pay for the recording of the Statutory Warranty Deed and for any filing fees for documents recorded with the Water Resources Department. All other fees, assessments and charges for Closing shall be shared equally by the parties.

12. Interim Use of Property. Seller covenants that it will continue to manage and operate the Property as currently operated and will not remove nor cause nor allow the removal of trees, gravel, minerals or the like from the Property during the period that this Agreement is in effect, other than in the normal, reasonable and customary maintenance and upkeep of the Property.

13. Leasing Revenue. Seller may retain all sums it receives under the any Lease which relates to the Property for all periods prior to and including the date of Closing.

14. Non-Foreign Certification. Seller represents and warrants to Buyer that Seller is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code, and at Closing Seller will deliver to Buyer a certification of non-foreign status in form required by Internal Revenue Service regulations.

15. Notices. All notices pertaining to this Agreement shall be in writing delivered to the parties hereto by hand, courier service or Express Mail, or by certified mail, return receipt requested, postage prepaid, at the addresses set forth in Recital A. All notices shall be deemed given when deposited in the mail addressed to the party to be notified, or if delivered by hand, courier service or Express Mail, shall be deemed given when delivered.

16. Buyer's Representations. In addition to any express agreements of Buyer contained here, the following constitute representations and warranties of Buyer to the Seller:

16.1 Subject to the Buyer's Board of Director's approval and the conditions stated herein, Buyer has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein, and to consummate the transactions contemplated hereby;

16.2 Subject to the Buyer Board of Director's approval and the conditions stated herein, all requisite action has been taken by Buyer in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated here; and

16.3 Subject to the Buyer's Board of Director's approval and the conditions stated herein, the persons executing this Agreement and the instruments referred to herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions of this Agreement.

17. Broker's Commission. Seller represents to Buyer and Buyer represents to Seller that neither party has used a real estate broker in connection with this Agreement.

18. Time of the Essence. Time is of the essence of this Agreement.

19. Binding on Successors. This Agreement shall be binding not only upon the parties, but also upon their personal representatives, permitted assigns, and other successors in interest.

20. [Reserved]

21. Additional Documents. Seller and Buyer agree to execute such additional documents, including escrow instructions and the amendments contemplated by Section 2 above, as may be reasonable and necessary to carry out the provisions of this Agreement.

22. Entire Agreement. This Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, and understandings. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties.

23. No Merger. The obligations contained in this Agreement, except for those specifically discharged in escrow, shall not merge with transfer of title but shall remain in effect until fulfilled.

24. No Confidentiality. The parties hereto agree that the terms of this Agreement, including purchase price, are not confidential to the extent required by public records laws.

25. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes and all of which when taken together shall constitute a single counterpart instrument. Executed signature pages to any counterpart instrument may be detached and affixed to a single counterpart, which single counterpart with multiple executed signature pages affixed thereto constitutes the original counterpart instrument.

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 197.352. 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, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

All of these counterpart pages shall be read as though one and they shall have the same force and effect as if all of the parties had executed a single signature page.

IN WITNESS of the foregoing provisions, the parties have signed this Agreement below:

**SELLER:**

Clackamas County, Oregon, a body politic  
and corporate of the State of Oregon

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**BUYER:**

Western Rivers Conservancy

By  \_\_\_\_\_

Title PRESIDENT \_\_\_\_\_

Date FEB 27, 2016 \_\_\_\_\_

Attachments:

- Exhibit A

**Exhibit A**

[Insert]

## EXHIBIT "A"

### PARCEL I:

The Northwest one-quarter and the Northwest one-quarter of the Southwest one-quarter of Section 24, Township 2 South, Range 6 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon.

EXCEPTING THEREFROM that portion described as follows: Commencing at the Northeast corner of the Northwest one-quarter of the Southwest one-quarter of Section 24, Township 2 South, Range 6 East, Willamette Meridian; thence along the Eastern line of said Northwest one-quarter of the Southwest one-quarter South 00°30'04" East, 592.60 feet to the true point of beginning; thence South 81°57'02" West, 938.00 feet; thence parallel to said Eastern line, South 00°30'04" East, 547.16 feet, more or less, to the Northern right-of-way of E. Barlow Trail Road; thence Easterly along said Northern right-of-way line 985 feet, more or less, to the Eastern line of said Northwest one-quarter of the Southwest one-quarter; thence along said Eastern line North 00°30'04" West, 388.14 feet to the point of beginning.

ALSO EXCEPTING THEREFROM any portion lying within E. Barlow Trail Road.

### PARCEL II:

A tract of land located in the Southwest one-quarter of the Southwest one-quarter of Section 24, Township 2 South, Range 6 East of the Willamette Meridian, in the County of Clackamas and State of Oregon, more particularly described as follows, to-wit:

Beginning at a stone located at the Northeast corner of the said Southwest one-quarter of the Southwest one-quarter; thence following the East boundary of said Southwest one-quarter of the Southwest one-quarter, South 200.00 feet, more or less, to the center of the main channel of the Sandy River; thence Westerly down stream following the center of the main channel of said river, to its intersection with the West boundary of said section 24; thence following said West boundary of Section 24, North 360.00 feet, more or less, to a stone set for the Northwest corner of the said Southwest one-quarter of the Southwest one-quarter; thence following the North boundary of the said Southwest one-quarter of the Southwest one-quarter, East 1320.00 feet, more or less, to the place of beginning of the tract herein described.

EXCEPTING THEREFROM Ownership of the State of Oregon in and to that portion of the premises herein described lying below the line of ordinary high water of the Sandy River.

FURTHER EXCEPTING THEREFROM that portion lying within E. Barlow Trail Road.

### PARCEL III:

All that portion of the Southeast one-quarter of the Southeast one-quarter of Section 23, Township 2 South, Range 6 East, of the Willamette Meridian, in the County of Clackamas and State of Oregon lying North of the Sandy River.

EXCEPTING THEREFROM Ownership of the State of Oregon in and to that portion of the premises herein described lying below the line of ordinary high water of the Sandy River.