

Purchase and Sale Agreement

This Purchase and Sale Agreement (this “**Agreement**”) for the Gleason Park Property is entered into effective as of _____, 2022 (the “**Effective Date**”) between CITY OF JOHN DAY, a municipal corporation (“**Seller**”) and STATE OF OREGON, by and through the Oregon Parks and Recreation Department (“**Buyer**”). Seller and Buyer are referred to together herein as the “parties.” The Effective Date of this Agreement shall be as of the date of the last signature of this Agreement.

RECITALS

A. The addresses and contact information of the parties to this Agreement are as follows:

Seller:

CITY OF JOHN DAY, a municipal corporation
450 East Main Street
John Day, OR 97845
Attn: Nick Green, City Manager
Ph: 541-575-0028
Email: GreenN@grantcounty-or.gov

Buyer:

STATE OF OREGON, by and through the Oregon Parks and Recreation Department
725 Summer Street NE, Suite C.
Salem, OR 97301-1266
Attn: Tabitha Henricksen, Property Unit
Ph: 503-339-6806
Email: Tabitha.Henricksen@oregon.gov

B. Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain real property with rights appurtenant thereto, commonly known as the Gleason Park Property in Grant County, Oregon, and legally described on Exhibit A. The land to be sold and purchased under this Agreement is referred to as the “**Property**.”

NOW, THEREFORE, in consideration of the mutual promises and conditions contained herein, the parties, intending to be legally bound, agree as follows:

SECTION 1 AGREEMENT OF SALE

1.1 Sale and Purchase. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property, for the price and on the terms and conditions set forth herein, together with all of Seller’s right, title, and interest in and to any rights, licenses, privileges, reversions, and easements appurtenant to the Property.

1.2 Purchase Price. Buyer agrees to pay Seller the sum of Two Hundred Twenty-Two Thousand Dollars (\$222,000.00) for the purchase of the Property (the “**Purchase Price**”).

1.3 Payment of Purchase Price. The Purchase Price will be paid in cash at the Closing.

SECTION 2 ESCROW

2.1 Escrow. The parties will promptly upon mutual execution of this Agreement open an escrow account at Land Title Company of Grant County, Inc., located at 145 NE Dayton St, John Day, OR 97845 (the “**Escrow Agent**”), and deposit this Agreement with the Escrow Agent. The representative of the Escrow Agent for this transaction is:

Kristen Coombs
Phone: 541-575-1529
Fax: 541-628-7415
Email: Kristen@ltcofgrantcounty.com

2.2 Escrow Instructions. This Agreement constitutes joint instructions to the Escrow Agent. The parties may execute such additional instructions as reasonably requested by the Escrow Agent if such instructions are consistent with the terms hereof. If such additional or supplemental instructions conflict with the express terms of this Agreement, the terms of this Agreement control.

SECTION 3 TITLE TO PROPERTY

3.1 Conveyance. At the Closing, Seller will convey to Buyer fee simple title to the Property by statutory warranty deed, free and clear of all liens, encumbrances, easements, and restrictions - except for the Permitted Encumbrances (as defined in 4.2(b)).

3.2 Water Rights. Seller’s conveyance of the Property to Buyer includes all water rights appurtenant to the Property, if any.

3.3 Inspections. Prior to the Closing, Buyer may conduct such inspections, examinations, and investigations of the Property in Buyer’s sole discretion to ascertain the condition of the Property and its suitability for Buyer’s purposes. All such testing, examination, and investigation will be subject to the indemnification provisions of Section 3.4.

3.4 Right of Inspection; Indemnification. Buyer may inspect the Property, including making invasive inspections, with reasonable prior notice to Seller. Buyer’s inspections may include the taking of samples and other physically invasive procedures. To the extent permitted by Article XI, Section 7 of the Oregon Constitution, and subject to the limits of the Oregon Tort Claims Act, ORS 30.260 through 30.300, Buyer will indemnify, defend and hold Seller harmless from and against any and all losses, claims, damages, and liabilities arising out of or resulting from Buyer’s inspections, unless and to the extent Seller’s negligence or intentional acts contributed to the losses, claims, damages, or liabilities.

3.5 Title Insurance Policy. Buyer may, at Buyer’s expense, obtain an ALTA Owner’s Standard Coverage Title Insurance Policy on the Closing Date in an amount equal to the Purchase Price insuring fee simple title vested in Buyer subject only to the Permitted

Encumbrances.

3.6 AS-IS. Buyer has entered into this Agreement based on Buyer's own examination and personal knowledge of the Property. Buyer has not relied on any Seller representations, warranties, and/or covenants concerning the Property except as expressly provided in Section 5.1 of this Agreement. Except for those express representations and warranties made by Seller under Section 5.1, Buyer is buying the Property from Seller "AS-IS" and "WITH ALL FAULTS" as of the Closing Date, and (b) Buyer accepts the Property in its "AS-IS" and "WITH ALL FAULTS" condition as of the Closing Date, as modified by Seller's Work.

SECTION 4 CLOSING

4.1 Closing Date. The parties intend that the Property sale provided for herein will be closed (the "Closing") in escrow at the office of the Escrow Agent (or at another agreed location), on or before thirty (30) days after completion of Seller's Work (as defined below). (the "Closing Date.")

4.2 Buyer's Conditions to Closing.

4.2.1 Buyer's obligation to purchase the Property is expressly contingent upon, and subject to, the satisfaction or express written waiver of the following conditions not later than the Closing Date:

(a) Commission Approval. Buyer's purchase of the Property is conditioned on receiving approval of the terms of this Agreement by the Oregon Parks and Recreation Commission.

(b) Review of Title. Escrow Agent has supplied Buyer with a preliminary title report dated January 20, 2022 (the "Preliminary Title Report"). Buyer will accept title to the Property subject only to encumbrances listed on Exhibit C (the "Permitted Encumbrances"). Escrow Agent shall provide Buyer with an updated Preliminary Title Report approximately five days prior to the Closing Date or when requested by Buyer. Based upon Buyer's review of the updated preliminary title report, Buyer may require that any encumbrances that are not Permitted Encumbrances be removed from the title to the Property. Any such encumbrances to which Buyer does not object before the Closing Date shall be deemed to be Permitted Encumbrances. Seller expressly acknowledges that acceptance of the Property by Buyer with the recorded Land and Water Conservation Fund Act agreement (Grant County recording December 21, 1966; Book J, Page 66) shown as a Permitted Encumbrance in no way limits or obviates Seller's obligations to perform post-closing as set forth in Section 4.2(f) below.

(c) Evaluation of Property. Buyer may examine and inspect the condition of the Property as provided in Sections 3.3 and 3.4 and be satisfied with the results of such inspections.

(d) Title Insurance. The Escrow Agent must commit to issue a title insurance policy as provided in Section 3.5.

(e) Seller's Work. Seller shall be responsible for site demolition and preparation ("Seller's Work") within the area defined in Exhibit B (the "**Demolition Area**"); all such work in strict accordance with a SHPO-approved plan and a Memorandum of Agreement (the "Demolition MOA") between the Parties, in the form attached as Exhibit D. Seller's Work specifically includes the removal of existing above-ground structures and their contents, destruction of pools and aprons, backfilling and bringing of the Demolition Area to grade, well as any permitting and regulatory consultation or any other regulatory requirements related to Seller's Work under all applicable law and removal of all related debris and equipment from the Property (including all regulatory and permitting requirements related thereto). Seller's Work shall be performed at Seller's sole cost and expense, except as expressly set forth in the Demolition MOU. For purposes of this Agreement, Seller's Work shall be deemed complete when all necessary regulatory or other governmental sign-offs have been obtained to close any and all such matters.

(f) Removal of the Property from Within the Boundary of LWCF Act _____. The Parties acknowledge that the Property is currently subject to restriction for outdoor recreation use in compliance with provisions of the Land and Water Conservation Fund ("**LWCF**") Act which is administered by Oregon Parks and Recreation Department ("**OPRD**") on behalf of the National Park Service ("**NPS**"). The Property has been managed by Seller in accordance with Section 6(f)(3) of the LWCF Act and 36 CFR 59.3 (Grants 41-00044 and 41-00870). Seller will be responsible for a conversion of use for the Property under Section 6(f)(3) of the LWCF Act and 36 CFR 59, which when accomplished shall allow for the removal of the Property from under the grant obligations of the LWCF and NPS and furthermore, shall allow for the removal of the recorded agreement (Grant County recording December 21, 1966; Book J, Page 66) related thereto from title to the Property. Seller shall promptly and diligently pursue such conversion of use, in accordance with the terms of a Memorandum of Understanding (the "LWCFA MOU") between the parties and NPS, in the form attached as Exhibit E. The timeline for such conversion of use is anticipated to extend beyond the Closing Date. Buyer agrees to accept conveyance of the Property with the conversion of use in-progress; Seller will remain the LWCF grant sponsor and retain all responsibilities and liabilities therein until the conversion of use is approved by NPS, completed and the encumbrance is removed from the Property. Seller is responsible for all due diligence and any costs and expenses associated with such conversion of use, except as expressly set forth in the LWCFA MOU.

4.2.2 The conditions in Section 4.2 of this Agreement are solely for the benefit of Buyer and may be waived only by Buyer. Buyer will at all times have the right to waive any condition.

4.3 Prorates and Closing Costs. All real property taxes for the current tax year will be prorated between the parties as of the Closing Date. Buyer will be responsible for payment of the premium for any title insurance policy, the recording fees for recording the statutory warranty deed and one-half of the escrow fee. Seller will be responsible for one-half of the escrow fee.

4.4 Deliveries to Escrow Agent.

4.4.1 By Seller. On or before the Closing Date, Seller will deliver the following to the Escrow Agent:

(a) **Deed.** A statutory warranty deed, in substantially the form of Exhibit C (the “Deed”), duly executed and acknowledged by Seller, conveying the Property to Buyer, subject only to non-delinquent property taxes, and free and clear of all liens, encumbrances, easements, and restrictions, except for the Permitted Encumbrances.

(b) **Non-foreign Certification.** A certification of non-foreign status in the form required by Internal Revenue Code §1445 and related regulations.

(c) **MOA and MOU.** Demolition Memoranda of Agreement, in substantially the form attached as Exhibit D and LWCFA Memorandum of Understanding, in substantially the form attached as Exhibit E, duly executed by Seller.

(d) **Miscellaneous.** Any other documents, instruments, or records or agreements called for hereunder that have not previously been delivered or as may be reasonably requested by Escrow Agent in order to issue the title policy.

(e) **Pro-ration amounts.** The amount due from Seller, if any, after the prorations are computed under Section 4.3 of this Agreement. Seller may pay its proration amount from the proceeds of the Purchase Price.

4.4.2 By Buyer. On or before the Closing Date, if the conditions to the Closing have been satisfied to Buyer’s satisfaction, Buyer will deliver the following in escrow to the Escrow Agent:

(a) **The Purchase Price.**

(b) **MOA and MOU.** Demolition Memoranda of Agreement, in substantially the form attached as Exhibit D and LWCFA Memorandum of Understanding, in substantially the form attached as Exhibit E, duly executed by Buyer.

(c) **Pro-ration amounts.** The amount due from Buyer, if any, after the pro-rations are computed under Section 4.3 of this Agreement.

4.5 Possession. Buyer shall be entitled to possession of the Property on the Closing Date.

SECTION 5 REPRESENTATIONS AND WARRANTIES

5.1 Seller’s Representations and Warranties. Seller represents and warrants to Buyer as follows:

5.1.1 Seller has all necessary power and authority, and has taken all action required, to enter into, execute, and deliver this Agreement, to fully perform its obligations hereunder, and to carry out and consummate the land sale and other obligations contemplated herein. During the period between the Effective Date and the Closing Date, Seller will not convey the Property or any portion of or rights associated with the Property to any third party, nor will Seller encumber the Property in any respect.

5.1.2 Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code.

5.1.3 Seller's conveyance of the Property to Buyer will include all water rights appurtenant to the Property which were received by Seller when they purchased or obtained title to the Property or such water rights as they later acquired. Seller has not transferred or alienated such water rights in any respect. Seller does not know of any reason such water rights could be at risk of loss due to failure to appropriate or make beneficial use of the water..

5.1.4 Buyer may obtain a Phase I Environmental Site Assessment report ("**Report**"). To the best of Seller's knowledge, after inquiry and except as disclosed in the Report, the Property is materially in compliance with applicable state and federal environmental standards and laws affecting it and there are no Hazardous Materials or Hazardous Substances released, stored, spilled, discharged or leaking on, to or about the Property in violation of applicable law.

5.1.5 Definition. "Hazardous Materials" and "Hazardous Substances" mean (i) hazardous wastes, hazardous materials, hazardous substances, hazardous constituents, toxic substances or related materials, whether solids, liquids or gases, including, but not limited to, substances defined as "hazardous wastes," "hazardous materials," "hazardous substances," "toxic substances," "pollutants," "contaminants," "radioactive materials," "toxic pollutants," or other similar designations as defined in, or otherwise subject to regulation under, any Oregon state law or regulation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9601, *et seq.*; the Toxic Substance Control Act ("TSCA"), 15 U.S.C. § 2601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1802; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 9601, *et seq.*; the Clean Water Act ("CWA"), 33 U.S.C. § 1251, *et seq.*; the Safe Drinking Water Act, 42 U.S.C. § 300f, *et seq.*; the Clean Air Act ("CAA"), 42 U.S.C. § 7401, *et seq.*; and in any permits, licenses, approvals, plans, rules, regulations or ordinances adopted, or other criteria and guidelines promulgated pursuant to the preceding laws or other similar federal, state or local laws, regulations, rules or ordinance now or hereafter in effect relating to environmental matters; and (ii) any other substances, constituents or wastes subject to any applicable federal, state or local law, regulation or ordinance, including any environmental law, now or hereafter in effect, including but not limited to (A) petroleum; (B) refined petroleum products; (C) waste oil; (D) waste aviation or motor vehicle fuel and their byproducts; (E) asbestos; (F) lead in water, paint or elsewhere; (G) radon; (H) polychlorinated biphenyls (PCB's); (I) urea formaldehyde; (J) volatile organic compounds (VOC); (K) total petroleum hydrocarbons (TPH); (L) benzene derivative (BTEX); and (M) petroleum byproducts

5.2 Buyer's Representations and Warranties. Buyer represents and warrants to Seller as follows: Buyer has all necessary power and authority, and has taken all action required, to enter into, execute, and deliver this Agreement, to fully perform its obligations hereunder, and to carry out and consummate the sale contemplated herein.

5.3 Covenant Regarding Operation of Property through Close of Escrow. Until this transaction is closed or the Agreement is terminated Seller will operate and maintain the Property in a manner consistent with Seller's recent past practices (which include the closure of the swimming pool and the continued operation and maintenance of the rest of the Property outside of the Demolition Area) and will promptly disclose to Buyer any material issues or variations from such practices which arise prior to the Closing with the exception of closure of other areas to the public as necessary to complete Seller's Work.

SECTION 6 DAMAGE, DESTRUCTION OR CONDEMNATION

Until the close of escrow, the risk of loss associated with the Property will be retained by Seller. If all or any material portion of the Property is damaged, destroyed, or condemned or threatened with condemnation before the Closing, Buyer may terminate this Agreement. In such event, this Agreement and the escrow will be terminated, and this Agreement shall have no further force and effect whatsoever. Seller's responsibility for site demolition as defined in 4.2.1(e) shall not be considered damage or destruction of the Property.

SECTION 7 EVENTS OF DEFAULT

7.1 By Seller. If escrow does not close by reason of any default by Seller, Buyer will have the right to recover its costs in connection with this transaction and pursue any remedy available to it at law or equity, including the specific performance of this Agreement in which Seller may be required to sell the Property to Buyer under the terms of this Agreement.

7.2 By Buyer. If escrow does not close by reason of any default by Buyer, Seller will have the right to recover its costs in connection with this transaction and pursue any remedy available to it at law or equity, including the specific performance of this Agreement.

SECTION 8 MISCELLANEOUS

8.1 Entire Agreement. This Agreement is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property and supersedes and replaces all prior written and oral agreements heretofore made or existing by and between the parties or their representatives insofar as the sale and purchase of the Property is concerned. No supplement, modification, or amendment of this Agreement is binding, unless it is in writing and signed by duly authorized representatives of both parties.

8.2 Severability. In the event any provision or portion of this Agreement is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Agreement remains in full force and effect and will in no way be affected or invalidated thereby.

8.3 Notices. Any notice or other communication required or permitted under this Agreement must be in writing and must be sent to the parties at the addresses shown on the first page of this Agreement, or at such other address as either party may hereafter designate by written notice to the other. Notices will be deemed given on the date of transmission when sent by electronic mail, provided that a duplicate copy of such notice is deposited in the United States Mail the same day; or on the third business day after the date of mailing when mailed by certified mail, postage prepaid, return receipt requested, from within the United States; or on the date of actual delivery; whichever is the earliest.

8.4 Binding Effect. All rights, remedies, and liabilities herein given to or imposed upon either of the parties extend to, inure to the benefit of and bind, as the circumstances may require, the parties and their respective successors and assigns.

8.5 Other Provisions. No waiver of any provision of this Agreement will be deemed, or will constitute, a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver will be binding unless executed in writing by the party making the waiver. Time is of the essence with respect to all dates and time periods in this Agreement. Neither party may assign or delegate any of the party's rights or obligations under this Agreement to any person without the prior written consent of the other party. This Agreement may be signed in counterparts. A fax or email transmission of a signature page will be considered an original signature page.

8.6 Governing Law. This Agreement and its formation, operation, and performance, will be governed, construed, performed, and enforced in accordance with the laws of the State of Oregon without regard to its conflict of law principles.

8.7 Dispute Resolution.

8.7.1 General. If any dispute arises between the parties concerning this Agreement that is not resolved by mutual agreement, the parties must attempt to resolve the dispute in mediation as a condition precedent to any party commencing litigation. In such an event, the parties will participate in good faith in a mediation process in which a neutral mediator assists and facilitates the parties' efforts to reach a mutually acceptable resolution of the dispute. The mediator has no authority to force a settlement on the parties. The mediator is to be selected by mutual agreement of the parties, but in the absence of agreement, each party must select an individual and those two individuals will jointly select a mediator. The parties may share equally the cost of compensating the mediator, but Buyer is not required to pay the cost of compensating the mediator unless it is able to enter a personal services contract with the mediator in a form and amount reasonably acceptable to Buyer. The schedule and time allowed for mediation must be

acceptable to both parties. The parties and the mediator will comply with all applicable laws governing the confidentiality of mediation.

8.7.2 Costs. Each party will bear its own fees and expenses of any mediation.

8.7.3 Mediation Provisions. The parties will use their best efforts to complete any mediation within 60 days after one party notifies the other of a dispute requiring mediation; unless the dispute is regarding the refusal to grant a consent or approval, in which case the mediation period will be within 30 days. Each party agrees to keep all disputes and mediation proceedings strictly confidential, except for the disclosure of information required in the ordinary course of business of the parties or as required by applicable law or regulation. Any time limitation (such as the statute of limitations or laches) that would bar litigation of a claim shall also bar mediation of the claim. If any provision of this mediation program is declared invalid by any court, the remaining provisions shall not be affected thereby and shall remain fully enforceable.

8.8 Agency Disclosure; Brokers. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that (a) no broker or finder has been engaged by either party in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any such transactions, and (b) no broker or finder fees will arise from the sale and purchase of the Property.

8.9 State Law Requirements/Statutory Disclaimer. Under ORS 93.040(2), the parties include following statement in this Agreement:

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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

8.10 Exhibits. The exhibits attached hereto and referenced in this Agreement are incorporated herein by this reference.

8.11 Survival. All obligations of the parties which are not performed before the Closing will survive termination or expiration of this Agreement, including without limitation the obligations in Sections 3.4, 4.2, 5, and 8.7. If the Property is sold and purchased under this Agreement, the parties intend that the surviving obligations will continue in effect and will not merge in the deed under the doctrine of merger.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the Effective Date.

SELLER:

CITY OF JOHN DAY

By: _____

Print name: _____

Title: _____

Date: _____

BUYER:

STATE OF OREGON, by and through
Oregon Parks and Recreation Department

By: _____

Lisa Sumption, Director

Date: _____

DRAFT

Exhibit A
to
Purchase and Sale Agreement

Legal Description

A tract of land situated in the SW1/4SW1/4 Section 23, T. 13S, R.31E., W.M., City of John Day, Grant County, Oregon, more particularly described as follows:

Beginning at a point on the west right of way line of NW Canton Street, said point being the southeast corner of Lot 71 of Geisler Addition to the City of John Day, the plat of which is on file and of record in the office of the Grant County Clerk;
thence along the south line of Lots 71, 70, 69, 68, 67, 66, 65, 64 and 63 of said Geisler Addition West, 450.0 feet to the southwest corner of Lot 63 of said addition;
thence, continuing West, 25.0 feet;
thence North, 100.0 feet, on a line parallel to and 25 feet distant from, when measured at right angles to, the west line of Lot 63, to the south right of way line of NW Third Avenue;
thence along said south right of way line as follows:
S.89°48'12"W., 6.81 feet;
55.00 feet, more or less, along the arc of a 220.00 foot radius curve left (the long chord of which bears S.81°42'W., 55 feet more or less) to the centerline of Canyon Creek;
thence Southerly, 590 feet, more or less, along the centerline of Canyon Creek, the south line of that certain tract of land described in Deed Book 79, Page 257, deed records of Grant County;
thence along the south and east lines of said tract as follows:
S.88°44'E., 108.30 feet;
N.16°00'W., 50.0 feet;
thence East, 112 feet, more or less, to the west right of way line of NW Ing Hay Way;
thence along said west right of way line as follows:
N.34°26'28"W., 84.95 feet;
N.00°17'07"W., 5.0 feet, more or less, to the southeast corner of that certain tract of land described in Deed Book 113, Page 532, deed records of Grant County;
thence along the south, west and north lines of said tract as follows:
West, 112.33 feet; N.15°00'W., 145.56 feet;
East, 150.0 feet;
thence North, 85 feet, more or less, to a point on the south line of that certain tract of land described in Deed Book 97, Page 673, deed records of Grant County, Oregon;
thence N.89°10'E., 136 feet, more or less, to a point on the west right of way line of NW Canton Street;
thence along said west right of way line N.00°11'15"W., 87 feet, more or less, to a point that is N.89°48'45"E., 5.00 feet from the point of beginning;
thence S.89°48'45"W., 5.00 feet to the point of beginning.

Exhibit B to Purchase and Sale Agreement

Demolition Area

Demolition Area

Oregon Parks and Recreation Dept.
725 Summer St. NE, Suite C
Salem OR, 97301



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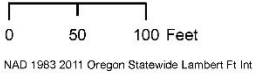


Exhibit C
to
Purchase and Sale Agreement

Form of Statutory Warranty Deed

After recording, return to **GRANTEE**:
Oregon Parks and Recreation Department
Attn: Property Unit
725 Summer Street NE Ste C
Salem, Oregon 97301

With a copy to GRANTOR:
City of John Day
Attn: Nick Green
450 East Main Street
John Day, OR 97845

STATUTORY WARRANTY DEED
(ORS 93.850)

City of John Day, a municipal corporation, Grantor, conveys and warrants to the **State of Oregon acting through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department**, Grantee, the real property in Grant County, Oregon, together with all improvements thereupon, which property is described on attached Exhibit A.

Grantor conveys and warrants the Property to Grantee free of encumbrances except as are specifically set forth in the attached Exhibit B.

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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES 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 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 DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, 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, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

The true consideration for this conveyance is \$222,000.

Dated this ____ day of _____, 20__.

XXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXX

STATE of OREGON)
) ss:
COUNTY OF GRANT)

This instrument was acknowledged before me on _____, 20__, by
_____.

Notary Public for Oregon
My Commission Expires: _____

(remainder of page intentionally blank)

DRAFT

EXHIBIT A
To Statutory Warranty Deed

Legal Description

[To be confirmed by Seller]

DRAFT

**Exhibit B
To Statutory Warranty Deed**

Permitted Encumbrances

1. Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not appearing in Public Records of listed in Schedule B. The Company makes no representation as to the present ownership of such interests. There may be leases, grants, exceptions or reservations that are not listed.
2. Rights of the public in and to any portion of the premises herein described lying below the high water mark of Canyon Creek, including any ownership rights which may be claimed by the State of Oregon below the high water mark.
3. Such rights and easements for navigation and fishing as may exist over that portion of the property lying beneath the waters of Canyon Creek.
4. Any adverse claim based upon the assertion that:
 - a. Said land or any part thereof is now or at any time has been below the ordinary HIGH water mark of Canyon Creek.
 - b. Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of Canyon Creek, or has been formed by accretion to any such portion.
5. Restrictions and Rights of Reverter, including the terms and provisions thereof, contained in agreement.

Recorded : November 9, 1995
Book : 73
Page : 358
6. Agreement, including the terms and provisions thereof:

Regarding : "impoundment of water from Canyon Creek:
Between : the State of Oregon, acting by and through its Game Commission
And : "owners of lands on which there are water rights of diversion of water from Canyon Creek"
Recorded : May 25, 1961
Book : "I"
Page : 281, Lease & Agreement Records.

The above document was amended by an instrument, including the terms and provisions thereof, recorded July 3, 1962, in Book "I", page 364, Lease & Agreement Records.
7. Agreement, including the terms and provisions thereof:

Recorded : December 21, 1966
Book : J

- Page : 66
8. Easement, including the terms and provisions thereof:
For : water line
Granted to : City of John Day, a municipal corporation
Recorded : August 29, 1967
Book : 97
Page : 373
9. Restrictions, including the terms and provisions thereof, contained in Ordinance No. 3-68
Recorded : September 22, 1967
Book : 97
Page : 466

DRAFT

**CERTIFICATE OF APPROVAL OF CONVEYANCE
(ORS 93.808)**

THE STATE OF OREGON, acting through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department, hereby approves and accepts, pursuant to ORS 93.808, the conveyance by warranty deed from CITY of JOHN DAY, a municipal corporation, to the State of Oregon of the real property described in the deed to which this Certificate is attached.

DATED this ____ day of _____, 20__.

State of Oregon, acting by and through the Oregon Parks and Recreation Commission on behalf of the Oregon Parks and Recreation Department

By: _____
Name: Lisa Sumption
Title: Director, Oregon Parks and Recreation Department

ACKNOWLEDGEMENT

STATE OF OREGON)
) ss.
County of Marion)

This instrument was acknowledged before me on this ____ day of _____, 20__, by Lisa Sumption as the Director of the Oregon Parks and Recreation Department and authorized representative of the Oregon Parks and Recreation Commission, acting under authority granted to her by the Commission.

Notary Public for Oregon
My Commission Expires: _____