



City of Keizer

Phone: (503) 390-3700 • Fax: (503) 393-9437
930 Chemawa Rd. N.E. • P.O. Box 21000 • Keizer, OR 97307-1000

June 12, 2013

VIA ELECTRONIC MAIL AND
REGULAR MAIL

Senator Tim Knopp
sen.timknopp@state.or.us
knoppt@leg.state.or.us
900 Court St NE, S-309
Salem, OR 97301

Representative Gene Whisnant
Rep.GeneWhisnant@state.or.us
whisnantg@leg.state.or.us
900 Court St NE, H-471
Salem, OR 97301

Re: *Timm and Linda Rawlins – Hearing Scheduled for June 20, 2013*

Dear Senator Knopp and Representative Whisnant:

We are in receipt of your June 4, 2013 letter to Mayor Lore Christopher regarding the above referenced matter. The Mayor has asked that I respond to your letter. Please make this letter and the attachments part of your record for the June 20, 2013 hearing before the House Committee on Land Use.

Before addressing the assertions in your letter, some background on the local improvement district in which the Rawlins' property is located may be helpful. The mixed use development known as Keizer Station Area A is located in the Northwest quadrant of Chemawa Road and Interstate 5. The development has been very successful overall and has provided hundreds of jobs, boosting the local economy.

"Pride, Spirit and Volunteerism"

However, the development of the property did not occur overnight. For over twenty years, the property owners beseeched the City to help them develop the property. There were significant infrastructure and transportation constraints with Interstate 5 and the railroad tracks immediately west of the freeway. The cost of such infrastructure (streets, water, sewer, storm drain) was a major hurdle and developers were not willing to independently undertake the project.

A developer finally approached the City and proposed using a combination of Urban Renewal funds and Local Improvement District funds to construct the necessary infrastructure for development.

Under state statute and local ordinance, infrastructure projects that benefit property can be funded by a Local Improvement District (LID) in which the property owners are assessed some or all the costs of the improvements. In brief, the project is proposed and notices sent to all the property owners. At the initial hearing, the owners may object to the project and if enough property owners object or if the City Council feels the project is inappropriate, the project does not move forward. After the Local Improvement District is approved and financing obtained (in this case, general obligation bonds issued by the City), the construction of the project can begin.

Following completion of all the planned infrastructure improvements, another hearing is held to assess the actual costs of the project, or "spread the assessments" to the individual lots. At the conclusion of the process, a property owner can either pay the assessment in full, or enter into an installment contract to pay the assessments over several years. Most property owners prefer to "Bancroft" the assessment and pay it over several years, and that is what occurred with virtually all the lots in Keizer Station. The properties are then subject to a LID lien to secure the debt.

In the case of the Rawlins, when the LID was first proposed, Rawlins did object as you indicate in your letter. They engaged legal counsel and filed a lawsuit against the City and the Urban Renewal Agency. They also filed an appeal of the land use decision to the Land Use Board of Appeals.

After substantial negotiation with the assistance of counsel, Rawlins and the City/Urban Renewal Agency reached a settlement. The parties entered into a formal settlement agreement that was recorded on November 21, 2005 in the Marion County Real Property Records. A copy of the Settlement Agreement is attached as Exhibit "A". In the Settlement Agreement, Rawlins agreed that the City can assess the full amount of the assessable costs to the properties and agreed to allow the completion of the Local Improvement District process, including the assessment against the Rawlins'

property. Importantly, the Settlement Agreement allowed the Rawlins to object to the amount of the final assessment.

It is our understanding that at the same time, the Rawlins entered into a ground lease with Northwest National, LLC ("Northwest"). Northwest had been the primary developer of the rest of Keizer Station Area A. It is further our understanding that under the terms of such ground lease Northwest would make all the LID assessment payments on behalf of Rawlins. The City is not a party to this lease.

Following settlement of the initial LID process, the infrastructure project was undertaken. As required, the City held another hearing following the completion of the project. The infrastructure project was funded with \$4.5 million of Urban Renewal Funds, over \$1.5 million of Street Funds, and the rest (approximately \$29 million) funded by the Local Improvement District. The final assessment amounts against the Rawlins' properties were \$2,299,571.82 for Tax Lot 4200 and \$3,671,246.24 for Tax Lot 4500. The amounts were large because the assessments were based on the size of the parcels and the Rawlins' parcels total 16 acres. The Rawlins did not object to the final assessment amounts, although they could have under the Settlement Agreement. (Due to the default noted below, the total owed on both properties is now approximately \$6.7 million due to additional accrued unpaid interest, late penalties, and attorney fees and costs.)

The City sold general obligation bonds to finance the LID portion of the project. The City uses the LID payments from the property owners to make the required payments to the bondholders. The City is required to make these payments regardless of whether the owners make their payments.

Pursuant to the assessment ordinance adopted by the City and the Settlement Agreement previously entered into, the Rawlins did not object to the assessment amounts but instead signed installment assessment contracts for each property. Copies of these contracts are attached as Exhibits "B" and "C".

For approximately two and a half years the assessment payments on the Rawlins' properties were made, presumably by the developer, Northwest. In addition, though we have no details, it is our understanding that Northwest made substantial rent payments to the Rawlins and continue to do so.

The LID payments on the Rawlins' assessments were not received beginning in February 2011. The City has waited over two years, getting further and further behind on the bond obligations.

This property is investment property for the Rawlins and does not have a residence or any other improvements on it. Though I am sure that the Rawlins are quite concerned about losing their property in a foreclosure, state law does not allow this assessment to be a personal debt. Unless the Rawlins act in bad faith, the City's only recourse is foreclosure on the property and there would be no judgments against the Rawlins or their family business entities.

As noted above, the City has an obligation to the bondholders to make the payments whether or not the payments are received from the LID property owners. Fortunately, up to this point, the City has been able to stay current with the minimum payment to the bondholders and is not technically in default. However, if the City continues to get further and further behind we will reach the point where General Fund monies will be required to pay the bondholders. If that occurs, devastating effects on the City's budget, and on the City's residents as a result, will be unavoidable. Because of budget cuts over the last few years, the City has already eliminated four police officers and three other general fund employees. There is not a lot of room for further budget cuts without a severe cutback in City services.

I hope this clarifies any misunderstanding that resulted from your interaction with the Rawlins. This is not a case in which the City is in the midst of an ongoing dispute about the imposition of a LID assessment. That was settled long ago with advice from counsel. The current action simply involves foreclosing property due to the property owner's failure to pay, for over two years, the amounts they agreed to pay. The City cannot, and will not, allow the Rawlins to abrogate their obligations to the City to the detriment of the residents of the City of Keizer.

There is one remaining question, however. In your June 4, 2013 letter, you referenced a previously negotiated agreement with the City to avoid the inclusion of the Rawlins' properties in the Local Improvement District. I have been working with the Rawlins' attorney for several months to try to find a resolution to this matter. He has never raised this issue. We are unaware of such alleged agreement, and it is contrary to the recorded agreement referenced above.

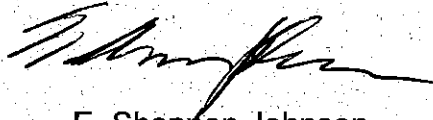
The City is not without sympathy for the Rawlins' situation; it is the main reason the City waited over two years before taking action. However, the City Council has an obligation to its constituents to collect the assessments.

If there are any additional issues you wish to discuss, please do not hesitate to contact me at 503-856-3432.

Senator Tim Knopp
Representative Gene Whisnant
Page 5
June 12, 2013

Thank you.

Yours truly,



E. Shannon Johnson
Keizer City Attorney

ESJ/tmh
Enclosures

June 4, 2013 Letter
Exhibit "A"
Exhibit "B"
Exhibit "C"

C: Senator Larry George
Representative Kim Thatcher
Representative Tina Kotek
Senator Peter Courtney
Senator Ted Ferrioli
Representative Mike McLane
Representative Brian Clem
Administrator Lynn Beaton
Mayor Lore Christopher
Keizer City Council
City Manager
Finance Director



Oregon State Legislature

The Honorable Mayor Lore Christopher
930 Chemawa Road NE
Keizer, OR 97303

June 4, 2013

Dear Mayor Christopher,

We write you today on behalf of our constituents, Timm and Linda Rawlins. The Rawlins and the City of Keizer are involved in an ongoing dispute regarding the Rawlins' property and its inclusion in a Local Improvement District (LID). This appears to be contrary to a previously negotiated agreement with the City to avoid the inclusion of said property in the LID. The Rawlins are a family of modest means, and we have been told that the amount of the LID (\$6.7 million) greatly exceeds the Rawlins' ability to pay the assessment. We also understand that the Rawlins informed the City prior to the formation of the LID that they would never be able to repay the assessment, yet the City Council placed the LID on their property over their strenuous objection.

The facts surrounding this matter are extremely troubling. As such, the Oregon State Legislature's House Committee on Land Use will be holding a hearing on this matter, currently scheduled for Thursday June 20th. Legislation may ultimately result from this process. Therefore, we strongly urge you not to initiate foreclosure or any other punitive actions against the Rawlins or their property in Keizer at this time.

Respectfully,

A handwritten signature in black ink, appearing to read "T. Knopp".

Senator Tim Knopp

A handwritten signature in black ink, appearing to read "Gene Whisnant".

Representative Gene Whisnant

cc: Senator Larry George
Representative Kim Thatcher

Reel	Page
2569	123

RECORDING COVER SHEET

THIS COVER SHEET HAS BEEN PREPARED BY THE PERSON PRESENTING THE ATTACHED INSTRUMENT FOR RECORDING (ORS 205.234). ANY ERRORS IN THIS COVER SHEET DO NOT AFFECT THE TRANSACTIONS CONTAINED WITHIN THE DOCUMENT.

A. Names of the Transactions described in the attached instruments:

1. CONSENT AND WAIVER AGREEMENT
KEIZER STATION AREA A LOCAL IMPROVEMENT DISTRICT
2. EASEMENT AGREEMENT AMENDMENT
(ORIGINAL EASEMENT RECORDED AT REEL 1635, PAGE 552)

B. Names of First Parties: RAWLINS HOLDING COMPANY, INC., AN OREGON CORPORATION (FORMERLY KNOWN AS RAWLINS REAL ESTATE, RICH RAWLINS AND ASSOCIATES, INC.), TIMOTHY RAWLINS AND LINDA RAWLINS, AND RAWLINS INVESTMENT PROPERTIES, L.L.C., AN OREGON LIMITED LIABILITY COMPANY ("Owners")

Names of Second Parties: CITY OF KEIZER, AN OREGON MUNICIPAL CORPORATION ("City") AND URBAN RENEWAL AGENCY OF THE CITY OF KEIZER, AN OREGON URBAN RENEWAL AUTHORITY ("Renewal Agency")

C. Consideration Paid: \$25,319.80

D. Until a Change is Requested, all Tax Statements Shall be Sent to the Following Address:

NO CHANGE

E. After Recording, Return the Document to:

E. Shannon Johnson
Attorney at Law
Lien & Johnson
4855 River Road N.
Keizer, OR 97303

AGREEMENT

This Agreement is made between Rawlins Holding Company, Inc., an Oregon corporation (formerly known as Rawlins Real Estate, Rich Rawlins and Associates, Inc.), Timothy Rawlins and Linda Rawlins, and Rawlins Investment Properties L.L.C., an Oregon limited liability company ("Owners"), the City of Keizer, an Oregon municipal corporation ("City"), and the Urban Renewal Agency of the City of Keizer, an Oregon urban renewal authority ("Renewal Agency").

RECITALS

- A. Rawlins Holding Company, Inc., Timothy Rawlins, Linda Rawlins and Rawlins Investment Properties, L.L.C. are owners of or have or had an interest in property located in the City of Keizer, more particularly described in Exhibit A which is attached hereto and incorporated into this Agreement ("Property").
- B. The Owners or their predecessors in interest entered into an agreement with the City or about September 1, 1999 that is attached as Exhibit B and incorporated into this Agreement ("Easement Agreement"). The Easement Agreement provided for the conveyance of a sanitary sewer easement to the City in exchange for the payment of money and a certain credit against future sewer assessments. Rawlins Holding Company, Inc. is the successor to Rawlins Real Estate, Rich Rawlins and Associates, Inc. or has authority to bind that entity. The parties wish to amend the Easement Agreement.
- C. Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins filed a complaint against the City and the Renewal Agency in *Rawlins Holding Company, Inc. et al. v. City of Keizer and Urban Renewal Agency of City of Keizer*, Marion County Circuit Court Case No. 05C-16601 ("Circuit Court Case"). The complaint sought review of a City of Keizer Resolution No. 2005-1594, forming a local improvement district and spreading assessments and other actions of the City or Renewal Agency and asserted declaratory judgment, inverse condemnation, slander of title and public records claims against the City and Renewal Agency. The parties wish to dismiss these claims.
- D. Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins also sought review of actions of the City or Renewal Agency in proceedings filed before the Oregon Land Use Board of Appeals, *Rawlins Holding Company, Inc. et al. v. City of Keizer and Urban Renewal Agency of the City of Keizer*, LUBA Nos. 2005-078, 2005-113, and 2005-114 ("LUBA Cases"). The parties wish to dismiss these cases.
- E. The City is constructing the local improvements that are part of the "Keizer Station Area A Local Improvement District" (the "Improvements") and that are described in the engineer's report that was approved by the Keizer City Council on April 18, 2005 (the "Engineer's Report"). The local improvement district for the Improvements was formed by City of Keizer Resolution Nos. 2005-1593 and 2005-1594. Following completion of the Improvements, the City will make the final assessment against the Property. The Owners wish to waive certain claims in connection with the completion and assessment of the Improvements.

AGREEMENT

1. Amendment of Easement Agreement. The Easement Agreement is amended. The City agrees to pay Rawlins Holding Company, Inc., and Timothy and Linda Rawlins the sum of \$25,319.80 in full satisfaction of the Easement Agreement and this shall discharge any future obligation of the City under the Easement Agreement. The payment of \$25,319.80 shall be by a check drawn to the order of Rawlins Holding Company, Inc., Timothy Rawlins and Linda Rawlins, and delivered to their attorney upon the signing of this Agreement. Upon execution of this Agreement, and payment of this sum, the City's obligations under the Easement Agreement are discharged and no credit shall be owed by the City against any future assessment on the Property because of the Easement Agreement. The past conveyance of the sanitary sewer easement is not affected by this amendment of the Easement Agreement.
2. Release. Upon execution of this Agreement and the payment of money as provided in Section 1 of this Agreement, Owners and each of them release both the City and its elected and appointed officials, officers, employees, agents, successors and assigns and the Renewal Agency and its elected and appointed officials, officers, employees, agents, successors and assigns from all claims, demands, damages, costs and expenses in whatever nature, based in statute, contract, tort or otherwise, on the subjects described above in Recital paragraph E; or which were pleaded in the Circuit Court Case or could have been pleaded in that case based on the facts stated in the complaint and which exist as of the effective date of this Agreement; or that arise because of the adoption or implementation of City of Keizer Resolution Nos. 2004-1528, 2005-1588, 2005-1593 or 2005-1594 or Renewal Agency Resolution Nos. 2003-080 or 2005-090. This release includes a release of any claim for any attorneys' fees or costs to be imposed against any of the parties with respect to the pending Circuit Court Case or LUBA Cases. Each party shall be solely responsible for payment of fees, including attorney fees, expenses and costs it incurred in connection with the Circuit Court Case and LUBA Cases.
3. Dismissal of Claims. Owners agree to stipulate to and seek entry of judgment in the Circuit Court Case dismissing the claims with prejudice and without cost to any party. Owners agree to move to dismiss the LUBA Cases.
4. Assessment of Costs Under the Local Improvement District. Owners agree that the City shall assess the full amount of the Assessable Costs against the Property and other benefited properties ("Benefited Properties") according to the formula provided in the Engineer's Report. For purposes of this agreement the "Assessable Costs" shall mean the sum of:
 - A. All of the City's actual costs in planning the Improvements, acquiring land for the Improvements, and overseeing, constructing and completing the Improvements (including any attorney's fees and costs for the Circuit Court Case, the LUBA Cases or defense of, or other litigation or appeals in connection with, the formation of the Keizer Station Area A Local Improvement District and the imposition of assessments for the costs of the Improvements); plus,
 - B. All of the City's actual costs of obtaining interim financing for the Improvements; plus,

C. All of the City's actual and reasonably expected costs of obtaining long-term financing for any assessments which owners of Benefited Properties apply to pay in installments; plus,

D. All other costs of the City that are directly related to the Improvements; less only the following amounts:

(1) Keizer Urban Renewal Agency contribution in the amount of \$4,500,000.00.

(2) City of Keizer Street Fund contribution of \$1,564,000.00.

(3) Keizer Station Plan Area D (Chemawa Station LLC) contribution of \$1,200,000.00.

If the costs of the Improvements exceed the estimates in the Engineer's Report, the excess will increase the Assessable Costs, and the City will not be obligated to increase the City's contribution or the Renewal Agency's contribution to the local improvement district.

5. Consent and Authorization to Complete Local Improvement Proceedings. The Owners hereby consent to and authorize:

A. All actions the City takes in good faith to construct the Improvements substantially as described in the Engineer's Report; and,

B. The assessment against the Property and other Benefited Properties of all Assessable Costs, regardless of whether those costs exceed the estimates shown in the Engineer's Report.

6. Waiver of Defects. The Owners waive all irregularities or defects, jurisdictional or otherwise, in:

A. All proceedings of the City to form the Keizer Station Area A Local Improvement District and to undertake, construct and complete the Improvements; and

B. All past and future proceedings of the City to apportion and assess the Assessable Costs against the Benefited Properties according to the formula specified in the Engineer's Report.

This waiver shall prevent any of the Owners from contesting any actions that are taken by or on behalf of the City and that are contemplated by the Engineer's Report and this Agreement, if those actions are taken in good faith. If for any reason the assessments or reassessments the City imposes for the Improvements are invalidated, the City shall be entitled to reassess the Property for its share of Assessable Costs pursuant to ORS 223.405 to 223.485, the City Charter and its ordinances. The Owners consent to assessment and any reassessment of the Property as provided herein, and waive any right to contest those assessments or reassessments to the extent any assessment or reassessment is made as required and in accordance with this Agreement. The release in section 2 of this Agreement, stipulated dismissal in section 3, consent and authorization in section 5 and waiver in section 6 shall not prevent Owners from objecting to

AGREEMENT – Page 3

Assessable Costs in the final assessment or reassessment proceedings because those Assessable Costs are unreasonable or not related to the Improvements, or impair any right to finance the assessments or apply for installment payments under ORS 223.210 or other applicable law.

7. No Admissions. This Agreement is executed solely for the purpose of resolving disputed claims. This Agreement does not constitute an admission of liability or disputed facts by any party hereto.

8. Severability. The parties agree that if any term or provision of this Agreement shall for any reason be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other term or provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

9. Merger. This Agreement constitutes the entire agreement between the parties. This Agreement supersedes all prior agreements and understandings between the parties hereto, except to the extent that the terms of Exhibit B are incorporated herein. There are no understandings, agreements or representations, verbal or written, regarding this Agreement except those specified herein.

10. Modification. No waiver, consent, modification or change of terms of this Agreement shall bind the parties unless in writing and signed by all parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

11. Representation by Counsel/Authorization. All parties have been advised by their respective, separate legal counsel. By signature of their authorized representatives, the parties hereby acknowledge that they have read and understand this Agreement, and agree to be bound by its terms and conditions.

12. Binding on Successors and Assigns. This Agreement is binding upon all parties and their heirs, administrators, executors, transferees, successors and assigns. The City may record this Agreement in the real property records of Marion County, Oregon.

13. Counterparts and Effective Date. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and together shall constitute one Agreement. A signed counterpart which is faxed shall be valid and treated as an original although the original signed counterpart shall be provided to the other party. This Agreement shall be effective on the last date signed by the parties.

[Remainder of page intentionally left blank]

11/04/2005 FRI 15:29 FAX 5035881946 TERRENCE KAY PC

007/014

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed and construed in accordance with the laws of the State of Oregon.

DATED this 7th day of November, 2005.

RAWLINS HOLDING COMPANY, INC.

By: [Signature]
Title: President

State of CALIFORNIA)
County of Riverside)⁹⁹

This instrument was acknowledged before me on Nov. 7, 2005 by
Jerry Rawlins as President on behalf of
Rawlins Holding Company, Inc.

[Signature]
Notary Public for Riverside County
My Commission Expires: Jan 21, 2009

[Signatures continue on following pages]



11/04/2005 FRI 15:33 FAX 5035881946 TERRENCE KAY PC >>> Rawlins, Tim & Linda

009/014

LINDA RAWLINS
[Handwritten Signature]

State of Oregon)
) ss
County of Deschutes)

This instrument was acknowledged before me on 11.7, 2005 by Linda Rawlins.

[Handwritten Signature]
Notary Public for Oregon
My Commission Expires: _____

[Signatures continue on following pages]



AGREEMENT - Page 7

CITY OF KEIZER

[Signature]
By: Christopher C. Eppley
Title: City Manager

State of Oregon)
County of MANON) ss

This instrument was acknowledged before me on November 15, 2005 by
Chris Eppley as City Manager on behalf of the
City of Keizer.



[Signature]
Notary Public for Oregon
My Commission Expires: 11/23/2007

[Signatures continue on following pages]

URBAN RENEWAL AGENCY OF THE CITY OF KEIZER

By: Christopher Eppley
Title: City Manager

State of Oregon)
County of Marion) ss

This instrument was acknowledged before me on November 15, 2005 by Chris Eppley as City Manager on behalf of Urban Renewal Agency of the City of Keizer.



Tracy L. Davis
Notary Public for Oregon
My Commission Expires: 11/28/2007

K:\31541\00006\TJSITJS_A224T=Agreement (final 11-4-05).doc 11/4/05 1:14 PM

EXHIBIT A

Legal Description

Beginning at the Southwest corner of that tract of land conveyed by Deed recorded in Volume 73, Page 128, of Marion County Deed Records and being 994.69 feet South 89° 35' East along the Section line from the South ¼ corner of Section 25, Township 6 South, Range 3 West, Willamette Meridian, Marion County, Oregon; thence North 89° 35' West along said Section line, 328.99 feet to the East line of that property described in that Deed to the United States of America and recorded in Volume 445, Page 668, of Marion County Deed Records; thence North 00° 21' 41" West along said East line 846.81 feet; thence South 89° 50' 15" West along the North line of said last mentioned property and that property described in that deed to the United States of America and recorded in Volume 357, Page 526, of Marion County Deed Records, 1150.00 feet to the East right of way line of the Oregon Electric Railroad; thence North 00° 12' 22" West along said right of way line 210.82 feet; thence South 89° 41' 54" East 323.60 feet; thence North 78° 37' 18" East 274.91 feet; thence North 77° 17' 41" East 163.19 feet; thence North 80° 13' 23" East 445.82 feet; thence North 78° 03' 09" East 271.67 feet; thence North 80° 52' 31" East 19.82 feet; thence South 00° 21' 41" East 1280.35 feet to the point of beginning.

Exhibit B

Agreement

Rawlins Real Estate, Rich Rawlins and Associates, Inc. and Timothy and Linda Rawlins, husband and wife, hereinafter referred to as Rawlins, et. al., is the owner of two parcels of property in the City of Keizer. The City of Keizer is interested in obtaining a sanitary sewer easement to be located on the subject property with the easement being described in exhibit A attached. Parcel 1 of the subject property is described as Map Tax Lot 063W25 04200, containing 6.27 acres of land. Parcel 2 of the subject property is described as Map Tax Lot 063W25 04500, containing 10.01 acres of land. The total acreage is therefore 16.28 acres. The current acreage charge for sanitary sewer trunk lines in the City of Keizer is \$7,460.00. The current acreage charge for the subject property would be $(\$7,460.00 \times 16.28) = \$121,448.80$. The previous acreage charge for the subject property would have been $(\$4,400.00 \times 16.28) = \$71,632.00$. The difference in total acreage charge from the old to the new would therefore be \$49,816.80. Rawlins, et. al. agrees to grant the required easement to the City of Keizer for the total cost of \$49,816.80. The total amount is to be paid as follows: The City will issue a check for the amount of \$24,497.00 upon the granting of the easement and grant a credit of \$25,319.80 towards future sewer trunk line assessments on the two parcels of property. No trunk line acreage assessments will be charged until development of the subject property is undertaken by Rawlins, et. al. or assigns.

In addition, when development of the subject property is undertaken, the City of Keizer will allow a sewer connection, or connections, to the proposed sanitary sewer trunk line in a location approved by the City of Salem, at no front foot cost to Rawlins, et. al. or assigns. The connection or connections will be at manholes that are constructed as part of the sewer trunk line.

Wally Mull

Wally Mull
City Manager

9/1/99

Date

Richard Rawlins

Richard Rawlins
Rawlins Real Estate Et Al

Timothy Rawlins

Timothy Rawlins

ON SEPTEMBER 7, 1999 personally appeared
Richard Rawlins, before me:
Rochelle A. Johnson
State of Oregon, Deschutes County

Rochelle A. Johnson

Linda Rawlins

Linda Rawlins

9/1/99

Date



REEL:2569

PAGE: 123

November 21, 2005, 02:55 pm.

CONTROL #: 154829

State of Oregon
County of Marion

I hereby certify that the attached instrument was received and duly recorded by me in Marion County records:

FEE: \$ 86.00

BILL BURGESS
COUNTY CLERK

THIS IS NOT AN INVOICE.

NAME: RAWLINS REAL ESTATE RICH
RAWLINS & ASSOCIATES, INC.
RAWLINS INVESTMENT PROPERTIES
2046 NW NICKERNUT CT
REDMOND, OR 97756

DATE: January 31, 2008
TAX LOT NUMBER: 063W25 04200

ASSESSMENT STATEMENT

Project: KEIZER STATION AREA A LOCAL IMPROVEMENT DISTRICT

The City Council has assessed properties for the Keizer Station Area A Local Improvement District as described in an assessment ordinance enacted at the January 22, 2008 City Council meeting. The City has assessed your property as follows:

Amount assessed: \$2,299,571.82
Payment Due Date: February 21, 2008
Tax Lot Number: 063W25 04200
Legal Description: Metes & Bounds - attached
Property Address: No Situs Address, Keizer, Oregon

Please return your payment with the bottom portion of this statement or complete and return the attached installment contract by February 21, 2008. See the following pages for additional payment information.

Return this portion with your payment

ASSESSMENT PAYMENT COUPON

PROJECT: KEIZER STATION AREA A LOCAL IMPROVEMENT DISTRICT

NAME: RAWLINS REAL ESTATE RICH
RAWLINS & ASSOCIATES, INC.
RAWLINS INVESTMENT PROPERTIES
2046 NW NICKERNUT CT
REDMOND, OR 97756

TAX LOT NUMBER: 063W25 04200

Amount Due: \$2,299,571.82
Payment Due Date: February 21, 2008
Amount Paid: _____

MAKE CHECKS PAYABLE TO: City of Keizer

Mail Payments to: City of Keizer
City Recorder
PO Box 21000
Keizer, OR 97307

Or

Deliver Payments to: City of Keizer
City Recorder's Office
930 Chemawa Road Northeast
Keizer, Oregon

EXHIBIT A

Legal Description

Beginning at the Southwest corner of that tract of land conveyed by Deed recorded in Volume 73; Page 128, of Marion County Deed Records and being 994.69 feet South 89° 35' East along the Section line from the South ¼ corner of Section 25, Township 6 South, Range 3 West, Willamette Meridian, Marion County, Oregon; thence North 89° 35' West along said Section line, 328.99 feet to the East line of that property described in that Deed to the United States of America and recorded in Volume 445, Page 668, of Marion County Deed Records; thence North 00° 21' 41" West along said East line 846.81 feet; thence South 89° 50' 15" West along the North line of said last mentioned property and that property described in that deed to the United States of America and recorded in Volume 357, Page 526, of Marion County Deed Records, 1150.00 feet to the East right of way line of the Oregon Electric Railroad; thence North 00° 12' 22" West along said right of way line 210.82 feet; thence South 89° 41' 54" East 323.60 feet; thence North 78° 37' 18" East 274.91 feet; thence North 77° 17' 41" East 163.19 feet; thence North 80° 13' 23" East 445.82 feet; thence North 78° 03' 09" East 271.67 feet; thence North 80° 52' 31" East 19.82 feet; thence South 00° 21' 41" East 1280.35 feet to the point of beginning.

ASSESSMENT PAYMENT OPTION

Please take a few minutes to study your assessment bill and the following payment option. This special assessment is not part of your property taxes and will not be included in your county property tax billing. The City must receive your cash payment or signed installment payment contract before February 21, 2008.

CASH PAYMENTS

You may pay all or part of the special assessment in cash by February 21st. If you do not pay your entire special assessment in cash by that date you must sign and file an installment payment contract with the city for the unpaid amount by February 21st. The interest-free period ends on the payment due date. Include your tax lot number on your check and mail or deliver to:

Mail Payments to:

City of Keizer
City Recorder
PO Box 21000
Keizer, OR 97307

Or

Deliver Payments to:

City of Keizer
City Recorder's Office
930 Chemawa Road Northeast
Keizer, Oregon

INSTALLMENT PAYMENT CONTRACT

You may pay all or part of your special assessment in 42 semi-annual installments of principal and interest. The City will sell improvement bonds to finance your contract and charge you interest based on the true interest cost, as determined by the City's financial advisor, of the bonds. Your interest will be 0.5% above that true interest cost. The true interest cost of the bond sale is currently not known. The bond sale is expected to occur by June 2008. The City will notify you of that interest rate when it sends your first invoice.

If the City has not issued bonds by your first payment date, your interest rate will be determined by the City Recorder until bonds are sold.

Please read carefully the attached installment payment contract. It must be signed by all owners of record. If you are buying your property on contract, please include a copy of your recorded contract.

FORECLOSURE

You must return a cash payment or signed installment payment contract in a total amount equal to your special assessment by February 21, 2008 or the City may commence a foreclosure action on your property.

INSTALLMENT PAYMENT CONTRACT TERMS AND PROVISIONS

Payment Schedule. The City uses the following calculations when preparing installment bills: Installment payments are billed every six months. The first installment payment date will be August 21, 2008. Each installment is an equal payment sufficient to amortize the special assessment, with interest, over 42 payments, plus any costs or penalties imposed under this "Installment Payment Contract Terms and Provisions".

Interest Rates. The City finances this installment loan by selling improvement bonds. Your interest will be 0.5% (one half of one percent) above the true interest cost, as determined by the City's financial advisor, of those bonds. The true interest cost of the bonds is currently not available.

If the City determines not to issue bonds, your interest will be determined by the City Recorder.

Billing and Payment. The City bills you directly for your installment assessment payments. Your installments are not a part of your property tax bill. Payments are due in our office on or before the payment due date. Include your tax account number on your check and make the check payable to the City of Keizer. You may shorten the payment period by paying more than the required amount. All or any portion of the unpaid balance may be prepaid at any time, without prepayment penalty. Prepayments will be applied first to any unpaid penalties and costs that are then due, then to the interest, and then to the unpaid principal balance. However, excess payments or prepayments shall be credited in inverse order of maturity and shall not be credited as regular future payments, nor excuse you from making the regular semi-annual installment payments.

Penalties for Non-Payment. The City charges a penalty equal to 0.50% (.0050) of the balance owing on your assessment contract whenever any installment payment is more than 15 days past due. Beyond 30 days past due, the City may declare this contract in default. The City may also require payment of the entire amount of delinquent installments, plus interest, penalties, and costs, including but not limited to attorney fees.

This loan is secured by a lien on the benefited property. The City lien may be assumed when the property is transferred -- banks and financial institutions generally require full payment of this loan before closing a private mortgage or refinancing transaction.

The City may enforce its property lien by foreclosing and selling the property to collect the outstanding loan balance and all related costs, including costs of enforcing the lien.

Debt Reserve. Pursuant to the formation documents of this Local Improvement District, there will be established a bond debt service reserve in the amount of \$2,681,000.00 (the "Reserve Requirement"). The debt reserve and earnings on the debt reserve will be used as set forth below:

1. While bonds are outstanding amounts in the bond debt service reserve will be used only to pay debt service on the bonds, and only if assessment payments available to the city are not sufficient to make those payments.
2. Interest earnings on amounts in the bond debt service reserve will be credited to the bond debt service reserve whenever the balance in the bond debt service reserve is less than the Reserve Requirement. At other times earnings on the bond debt service reserve will be applied by the City to pay debt service on the bonds.
3. The City will apply the amount in the bond debt service reserve to make the final payment[s] due on the bonds. However, if the City has incurred costs in connection with the collection of the assessments for the local improvement district that have not been paid from assessment payments, the City may apply amounts in the bond debt service reserve to pay those costs before the city applies the remaining balance in the bond debt service reserve to make the final payment[s] on the bonds.
4. If you have a balance owing at the time of full payment and retirement of the bonds, then you may receive a credit applied to your final payment(s) as set forth below.
5. The credit will consist of the **LESSER OF** the following:

- a. Your actual assessment amounts still owing under this Agreement, including costs as imposed in this Agreement, on the date the City's bonds are paid in full; OR
 - b. The prorata share of the debt reserve that is available and used to pay City bonds, plus the prorata earnings on the debt reserve that were actually received and used to retire bonds. The prorata share for your property will be determined by dividing your special assessment by the sum of all special assessments that were imposed for this local improvement district.
6. Under no circumstances will the City issue a cash refund for debt reserve or debt reserve earnings.
 7. No credit will be given if you have one or more delinquent payments during the term of the repayment period. In such case, any prorata share of the debt reserve and debt reserve earnings shall be forfeited to the City.

Time of the Essence. Time is of the essence for each and every provision of this Agreement.

Change of Address. You are responsible for notifying the City of Keizer of any change of ownership or billing address.

EXHIBIT A

Legal Description

Beginning at the Southwest corner of that tract of land conveyed by Deed recorded in Volume 73, Page 128, of Marion County Deed Records and being 994.69 feet South 89° 35' East along the Section line from the South ¼ corner of Section 25, Township 6 South, Range 3 West, Willamette Meridian, Marion County, Oregon; thence North 89° 35' West along said Section line, 328.99 feet to the East line of that property described in that Deed to the United States of America and recorded in Volume 445, Page 668, of Marion County Deed Records; thence North 00° 21' 41" West along said East line 846.81 feet; thence South 89° 50' 15" West along the North line of said last mentioned property and that property described in that deed to the United States of America and recorded in Volume 357, Page 526, of Marion County Deed Records, 1150.00 feet to the East right of way line of the Oregon Electric Railroad; thence North 00° 12' 22" West along said right of way line 210.82 feet; thence South 89° 41' 54" East 323.60 feet; thence North 78° 37' 18" East 274.91 feet; thence North 77° 17' 41" East 163.19 feet; thence North 80° 13' 23" East 445.82 feet; thence North 78° 03' 09" East 271.67 feet; thence North 80° 52' 31" East 19.82 feet; thence South 00° 21' 41" East 1280.35 feet to the point of beginning.

NAME: RAWLINS REAL ESTATE RICH
RAWLINS & ASSOCIATES, INC.
RAWLINS INVESTMENT PROPERTIES
2046 NW NICKERNUT CT
REDMOND, OR 97756

DATE: January 31, 2008
TAX LOT NUMBER: 063W25 04500

ASSESSMENT STATEMENT

Project: KEIZER STATION AREA A LOCAL IMPROVEMENT DISTRICT

The City Council has assessed properties for the Keizer Station Area A Local Improvement District as described in an assessment ordinance enacted at the January 22, 2008 City Council meeting. The City has assessed your property as follows:

Amount assessed: \$3,671,246.24
Payment Due Date: February 21, 2008
Tax Lot Number: 063W25 04500
Legal Description: Metes & Bounds - attached
Property Address: 6700 Field of Dreams Way NE, Keizer, Oregon

Please return your payment with the bottom portion of this statement or complete and return the attached installment contract by February 21, 2008. See the following pages for additional payment information.

Return this portion with your payment

ASSESSMENT PAYMENT COUPON

PROJECT: KEIZER STATION AREA A LOCAL IMPROVEMENT DISTRICT

NAME: RAWLINS REAL ESTATE RICH
RAWLINS & ASSOCIATES, INC.
RAWLINS INVESTMENT PROPERTIES
2046 NW NICKERNUT CT
REDMOND, OR 97756

TAX LOT NUMBER: 063W25 04500

Amount Due: \$3,671,246.24
Payment Due Date: February 21, 2008
Amount Paid: _____

MAKE CHECKS PAYABLE TO: City of Keizer

Mail Payments to: City of Keizer
City Recorder
PO Box 21000
Keizer, OR 97307

Or

Deliver Payments to: City of Keizer
City Recorder's Office
930 Chemawa Road Northeast
Keizer, Oregon

EXHIBIT "C"

EXHIBIT A

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