

W. 8.C-2

AGENDA COVER MEMO

DATE: June 13, 2006
TO: Lane County Board of Commissioners
DEPARTMENT: Public Works
PRESENTED BY: Frank Simas
Right of Way Manager

AGENDA ITEM TITLE: In the Matter of Authorizing an Option Agreement With Eugene Self Storage, L.L.C., to Release Road Fund Restrictions From a Parcel Formerly Owned By Lane County.

I. MOTION

THAT THE ORDER BE ADOPTED AUTHORIZING THE RELEASE OF ROAD FUND PUBLIC USE RESTRICTIONS FROM A PARCEL OF LAND ADJACENT TO TAX LOT 17-04-34-30-00200, AND AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE AN OPTION AGREEMENT AND MEMORANDUM OF OPTION IN CONNECTION WITH SAID RELEASE.

II. ISSUE OR PROBLEM

Eugene Self Storage, L.L.C. owns the fee interest in land that is subject to restrictions imposed by Lane County which limit its use to road and street right of way and public purposes. The company wishes to purchase the release of these restrictions in order to use the land for private development.

III. DISCUSSION

A. Background

Eugene Self Storage, L.L.C. owns property situated on the south line of West 11th Avenue in Eugene. This property has an address of 4206 West 11th Avenue and is also known as Lane County Assessor's Tax Lot 17-03-34-30-00200. The

Company is currently in the process of redevelopment of this property and plans to use an adjacent parcel of land that was conveyed to them by the City of Eugene in connection with the redevelopment of the property. The land subject to the restrictions is shown on the map marked Attachment 1. The area affected by the restrictions is 0.366 acre, or about 15,943 s. f.

The City of Eugene was originally conveyed the land by Lane County in 1969 with restrictions that "said property should be used and continue to be used for road and street rights of way and public purposes by the City of Eugene, and this condition shall run with the land and shall bind the City of Eugene, its successors and assigns."

The restrictions reflect limitations on the use of road fund monies contained in the Oregon Constitution and the fact that at the time of the conveyance to the City, no consideration was paid.

The City vacated the public rights to the use of the land for street purposes in 1990, and conveyed the land to West Eugene Self Storage in April 2006. West Eugene Self Storage desires to use the restricted parcel in connection with the redevelopment of the property and has requested that Lane County release the restrictions.

The County Road fund will need to be reimbursed for the difference in value between the land in its restricted state and the value of the property in private use for development purposes. This will require that an appraisal be completed in order to determine the amount of reimbursement to the Road fund, however the permitting process with the City of Eugene requires that the company show evidence of a legal interest in the land so that permits for its development may be approved.

The company has signed an Option Agreement giving them the option to purchase the release of the restrictions based on the results of an appraisal to be reviewed and approved by Public Works staff. If the appraisal is not ultimately approved by the County, they have the option to terminate the agreement, authorize revisions to the appraisal, or to negotiate with staff for a price which exceeds the amount of the appraisal, but which is reasonable based on the review of the appraisal submitted.

B. Analysis

The restrictions proposed to be released are of no further use to Lane County, and Eugene Self Storage currently owns the underlying fee interest. The restrictions were originally imposed to reflect that the land was a Road fund asset, and that any conversion to private use would require that the road fund be reimbursed for the value of the asset.

Execution of the Option Agreement and Memorandum will allow Eugene Self Storage to show an ownership interest sufficient for the permitting process to go forward, and if the option is to be exercised they have agreed that the price shall be established based on an independent appraisal to be reviewed and approved by the County. The Option agreement will allow time for the appraisal to be completed and reviewed so that the City permitting process can go forward.

Once the appraisal has been reviewed and approved, or if the appraisal is not approved as submitted and compensation acceptable to the County has been negotiated based on the results of the County's review of the appraisal as submitted, the transaction will be submitted for final approval by the Board and for execution of the Quitclaim Deed to be deposited in escrow.

The release of the restrictions will allow this land to be put to productive use and return it to the Tax Rolls based on its private usage.

C. Alternatives/Options

1. Authorize the County Administrator to Execute the attached Option Agreement and Memorandum of Option in connection with the release of the restrictions for this parcel pursuant to O.R.S. 275.030 (2).
2. Reject the terms of the proposed release as outlined above.

D. Recommendations:

Option 1.

IV. Implementation/Follow-Up

Upon execution by the County Administrator, the Quitclaim Deed will be transmitted to the title company for deposit in escrow and the Memorandum of Option will be delivered for recording. Upon approval of the appraisal or negotiation of an acceptable price as outlined above, the transaction will be submitted to the Board for final approval. Upon completion the proceeds will be distributed to the Road Fund.

V. Attachments

Attachment 1 (Map)
Option Agreement and Memorandum

**IN THE BOARD OF COUNTY COMMISSIONERS
OF LANE COUNTY, OREGON**

Order No.

(**IN THE MATTER OF AUTHORIZING AN**
(**OPTION AGREEMENT WITH EUGENE SELF**
(**STORAGE, L.L.C., TO RELEASE ROAD**
(**FUND RESTRICTIONS FROM A PARCEL**
(**FORMERLY OWNED BY LANE COUNTY**

WHEREAS, this matter now coming before the Lane County Board of Commissioners and said Board deeming it in the best interest of Lane County to sell the following real property, to wit:

Release of Road Fund restrictions affecting a parcel of land formerly owned by Lane County and located adjacent to Lane County Assessor's Tax Lot 17-04-34-30-00200; and

WHEREAS, said real property was acquired by purchase for street and road right of way and not by tax foreclosure; and

WHEREAS, West Eugene Self Storage, L.L.C. now owns the property subject to the restrictions and wishes to use it for private development; and

WHEREAS, West Eugene Self Storage wishes to obtain an option to purchase the release of restrictions to allow the development permit process to go forward and has agreed that if the Option is to be exercised the purchase price shall be established by means of an independent appraisal to be reviewed and approved by the County; and

WHEREAS, the release of said restrictions would benefit Lane County and the City of Eugene by its return to the tax rolls and is therefore in the best interest of the County to do so; and therefore

IT IS HEREBY ORDERED that, pursuant to ORS 275.030 (2), that a the County Administrator be authorized to sign the Option Agreement and Memorandum of Option, and that the price to be paid for the release shall be as established by the approved appraisal or as negotiated by County staff based on the results of the review of the appraisal should the appraisal not be approved as submitted.

IT IS FURTHER ORDERED THAT should Eugene Self Storage exercise the Option, the transaction shall be submitted to the Board of County Commissioners for final approval and execution of the Quitclaim deed, and that upon close of escrow the proceeds be deposited in the Road Fund.

IT IS ALSO FURTHER ORDERED that this Order shall be entered into the records of the Board of Commissioners of the County.

DATED this _____ day of _____, 2006.

Bill Dwyer, Chair
Board of County Commissioners

OPTION AGREEMENT

This agreement is entered into this _____ day of _____, 2006, by and between Lane County, a political subdivision of the State of Oregon, hereinafter referred to as **COUNTY**, and Eugene Self Storage, L. L. C., an Illinois Limited Liability Company, hereinafter referred to as **OPTIONEE**.

RECITALS

OPTIONEE owns property identified as Lane County Assessor's Tax Lot 17-04-34-30-00200, more commonly referred to as 4026 West 11th Avenue, Eugene, OR, and also owns the fee interest in an approximate .366 acre parcel of land lying between the said Tax Lot and the southerly right of way line of West 11th Avenue, which was acquired by quitclaim deed from the City of Eugene, an Oregon Municipal Corporation, and recorded April 2, 2006, under Reception Number 2206-029408, Lane County Deed Records. Said approximate .366 acre parcel was conveyed to the City of Eugene from Lane County by quitclaim deed recorded September 19, 1969 in Reel 453 R, Recorder's Reception Number 81417, Lane County Official Records, which contained public use restrictions providing "that said real property should be used and continue to be used for road and street rights of way and public purposes by the City of Eugene, and this condition shall run with the land and shall bind the City of Eugene, its successors and assigns."

OPTIONEE desires to utilize said land for private purposes and is therefore entering into this Option Agreement to purchase the release of said public use restrictions from **COUNTY**.

The real property that is subject to said public use restrictions is described on Exhibits "A" and "B" attached hereto and incorporated herein by reference.

COUNTY has agreed to grant **OPTIONEE** an exclusive option to purchase the release of said restrictions (hereinafter referred to as the Property), and the parties desire to evidence their agreement regarding the option.

The parties therefore agree as follows:

AGREEMENT

Section 1. Grant of Option

COUNTY, for no monetary consideration, grants to **OPTIONEE** the sole and exclusive option to purchase the Property, in the manner and for the price stated in this Agreement.

Section 2. Option Terms

2.1 Term. The initial term of the Option (the "term") shall commence on the

Effective Date and shall continue for a period of one year. If the last day of the Term falls on a Saturday, a Sunday, or a holiday recognized by the federal government or the state of Oregon, all of **OPTIONEE**'s rights during either such time period shall extend through the next business day.

2.2 Exercise of Option. This option shall be exercised, if at all, by written notice (the "Exercise Notice") given by **OPTIONEE** to **COUNTY** at any time during the Term, which notice shall state that **OPTIONEE** has elected to exercise this option. Upon exercise of this option, **OPTIONEE** shall be obligated to purchase the Property from **COUNTY**, and **COUNTY** shall be obligated to sell the Property to **OPTIONEE**, for the price and in the manner herein set forth.

2.3 Failure to Exercise Option. If **OPTIONEE** fails for any reason to exercise this option in the manner set forth herein, **OPTIONEE** shall have no further claim against or interest in the Property. In the event of the failure to exercise the Option, **OPTIONEE** shall provide **COUNTY** with any instruments that **COUNTY** reasonably may deem necessary for the purpose of removing from the public record any cloud on title to the Property which is attributable to the grant or existence of this Option.

Section 5. Purchase Price

5.1 Purchase Price. The total purchase price for the Property (the "Purchase Price") shall be as determined by an appraisal prepared by an appraiser licensed by the State of Oregon and whom is mutually agreeable to both **COUNTY** and **OPTIONEE**. **OPTIONEE** shall furnish County with a copy of said appraisal report, which shall be subject to review and approval by **COUNTY**. **COUNTY** agrees to notify **OPTIONEE** within 10 business days after receipt of the completed appraisal report as to whether said appraisal has been tentatively approved by County staff. If **OPTIONEE** is notified by **COUNTY** that the appraisal has been reviewed and is not approved, **OPTIONEE** shall have the option of: (a) requesting that the appraiser make revisions to the report to address inadequacies as noted in the review; (b) negotiate with **COUNTY** purchase of the Property at a price that exceeds the amount of the reviewed but un-approved appraisal; or (c) terminate this agreement. **OPTIONEE** hereby agrees and acknowledges that this transaction and the purchase price as determined by the procedure outlined above shall be submitted to the Lane County Board of County Commissioners for final approval and execution of the quitclaim deed referenced in paragraph 7.1 below.

5.2 The entire balance of the purchase price shall be paid in cash at closing.

Section 6. Remedies

6.1 OPTIONEE. If **COUNTY** breaches any term or provision of this Agreement, then **OPTIONEE**, as its exclusive remedy and in lieu of any other relief, may either (1) terminate this Agreement, or (2) tender performance of the obligations of **COUNTY** and specifically enforce all obligations of **COUNTY**. Except as noted in Section 6.3 and any specific remedies reserved elsewhere in this Agreement, **OPTIONEE** waives the right to pursue any remedy in law or equity against **COUNTY** other than the remedies specified above, including any action for damages, in the event of a default by **COUNTY**.

6.2 COUNTY. If **OPTIONEE** breaches any term or provision of this Agreement, and regardless of whether the breach occurs before or after **OPTIONEE** notifies **COUNTY** of the exercise of the Option, then **COUNTY**, as its exclusive remedy and in lieu of any other relief, shall be entitled to terminate this Agreement by giving **OPTIONEE** written notice of termination. **COUNTY** acknowledges (1) the adequacy of this exclusive remedy and (2) that this limitation of remedies is an essential part of this Agreement from the perspective of **OPTIONEE**. Except as noted in Section 6.3 and any specific remedies reserved elsewhere in this Agreement, **COUNTY** expressly waives the right to pursue any other right or remedy in law or equity other than the remedy specified above, including the right of specific performance and the right to sue for damages, in the event of a default by **OPTIONEE**.

6.3 Other Remedies. The limitations or remedies set forth in this section shall not preclude either party from seeking or obtaining injunctive relief or from seeking recovery against the other under any contractual indemnity set forth herein, or for causing physical damage or injury to persons or property.

Section 7. Conditions Precedent to Closing

In addition to any other conditions contained in this Agreement, set forth below are certain conditions precedent for the benefit of **OPTIONEE**, (the "Conditions"). The Conditions are intended solely for the benefit of **OPTIONEE** and **OPTIONEE** shall have the right to waive, by written notice, any of the Conditions, at its sole discretion; giving the Exercise Notice shall not constitute such a waiver. If any Condition is not satisfied or waived on or before the deadline for satisfaction specified herein, then **OPTIONEE** shall have the right to terminate this Agreement, at its sole election, by giving **COUNTY** notice of termination before the deadline expires. If **OPTIONEE** does not give **COUNTY** notice of termination before the applicable deadline, then **OPTIONEE** shall be deemed to have waived the termination privilege with respect to the Condition in question. The Conditions specifically delineated in this section are the following:

7.1 Conveyance of the Property shall be by Quitclaim Deed. **OPTIONEE** shall satisfy itself as to the validity of the release of the restrictions as specified above.

7.2 On or before the Closing Date, **COUNTY** shall have performed all of the covenants, conditions, agreements, and promises to be performed by it under this Agreement.

7.3 **OPTIONEE** hereby acknowledges that **County** has not performed a Site Assessment of the property to determine the presence or absence of hazardous substances, and **COUNTY** makes no warranties as to the condition of the property with respect to the presence or absence of hazardous materials. On or before the Closing Date, **OPTIONEE** may at its option, conduct an environmental review and audit of the Property, to determine indicating to its satisfaction that whether the Property contains or does not contain, either on its surface or in its subsurface or underlying water table, any Hazardous Substances (defined in Section 14).

Section 9. Closing

9.1 Time and Place. Closing of the sale and purchase of the Property (the "Closing") shall occur on a date (the "Closing Date") selected by **OPTIONEE**, but in all

events the Closing shall occur within 30 days after the date that the Exercise Notice is given. The escrow for the Closing shall be established at the office of Evergreen Land Title Company (the "Title Company"), at 1651 Centennial Boulevard, Springfield, OR 97477.

9.2 Closing Obligations. On the Closing Date, **COUNTY** and **OPTIONEE** shall deposit the following documents and funds in escrow, and the Title Company shall close escrow in accordance with the instructions of **COUNTY** and **OPTIONEE**.

9.2.1 COUNTY shall deposit the following:

(1) The conveyance documents described in Section 10, duly executed and acknowledged;

(2) Such documents as **OPTIONEE** or the Title Company may require to evidence the authority of **COUNTY** to consummate this transaction; and

(3) Such other documents and funds, including (without limitation) escrow instructions, as are required of **COUNTY** to close the sale in accordance with this Agreement.

9.2.2 OPTIONEE shall deposit or cause to be deposited the following:

(1) The entire balance of purchase price as specified in Section 5.

(2) Such documents as **COUNTY** or the Title Company may require to evidence the authority of **OPTIONEE** to consummate the transaction contemplated; and

(3) Such other documents and funds, including (without limitation) escrow instructions, as are required of **OPTIONEE** to close the sale and purchase of the Property in accordance with this Agreement.

9.3 Costs. **COUNTY** shall pay the escrow fee of the Title Company with respect to the Closing. **OPTIONEE** shall pay the fee for recording the conveyance document referred to herein.

Section 10. Conveyance

At the Closing, **COUNTY** shall execute, acknowledge, and deliver to **OPTIONEE** A Quitclaim deed releasing any right title and interest of Lane County to the above-referenced restrictions.

Section 11. Approvals.

OPTIONEE shall have the right to apply for and obtain any governmental approvals to use and develop the Property as **OPTIONEE** may desire. **COUNTY** shall assist and cooperate with **OPTIONEE** in obtaining any such approvals. Such cooperation shall include, but not be limited to, signing all applications and other documents requested by **OPTIONEE** that may be reasonably related to such matters, provided that **COUNTY** approves the form and substance of all such documents. All costs and expenses incurred with respect to such approvals shall be paid for by **OPTIONEE**.

Section 13. Covenants of COUNTY

COUNTY acknowledges that the covenants of **COUNTY** contained in this Agreement, including the covenants contained in this Section 13 (the "Covenants"), are material inducements to **OPTIONEE** to enter into this Agreement. The Covenants specifically delineated in this Section are the following:

13.3 COUNTY. During the Term, **COUNTY** shall not sell, contract to sell, assign, lease, or otherwise transfer the Property or any part of it, nor grant an option to any third party to acquire all or any portion of it.

Section 14. Warranties and Representations of COUNTY

14.1 Warranties. **COUNTY** acknowledges that the warranties and representations of **COUNTY** contained in this Agreement, including the warranties and representations contained in this Section 14 (the "Warranties"), are material inducements to **OPTIONEE** to enter into this Option Agreement. All Warranties, and **OPTIONEE**'s right to assert a breach of them, shall survive execution of this Agreement, the Closing, and the execution and delivery of the Closing documents. If, before Closing, **OPTIONEE** discovers or is advised that any of the Warranties were untrue when made, then **OPTIONEE** shall have the option to either (1) terminate this Agreement and obtain the return of all Option Money Payments paid, without waiving any cause of action that **OPTIONEE** may be entitled to assert against **COUNTY** by reason of the breach of the Warranty, or (2) continue this Agreement, without waiving any cause of action that **OPTIONEE** may be entitled to assert against **COUNTY** by reason of the breach of the Warranty. If, after Closing, **OPTIONEE** discovers or is advised that any of the Warranties was untrue when made, then **OPTIONEE** may pursue any remedy available to **OPTIONEE** at law or in equity by reason of the breach of such Warranty. **COUNTY** warrants and represents to **OPTIONEE** that the following matters are true and correct:

14.1.1 No Condemnation or Assessment Proceedings. There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property, or any part of it and, to the knowledge of **COUNTY**, no such proceeding is contemplated by any governmental entity.

14.1.2 Litigation; Law. There is no litigation, arbitration, or administrative hearing pending before any governmental authority that concerns or affects the Property or any portion of it and, to the knowledge of **COUNTY**, no such proceeding is threatened. To the knowledge of **COUNTY**, the Property complies with all laws, ordinances, and governmental approvals and decisions that relate to it.

14.1.4 Hazardous Substances. For purposes of this subsection, the phrase "Hazardous Substances" has the same meaning as is designated in ORS 465.200(15).

14.1.5 Status of COUNTY. **COUNTY** warrants that **COUNTY** is not a foreign person, foreign partnership, foreign corporation, or foreign trust, as those terms are defined in IRC §1445.

14.1.6 Breach of Agreements. Neither the execution of this Agreement, nor the execution, delivery, or recordation of any document or agreement referenced herein, nor the exercise of the Option and closing of the transaction contemplated herein, constitutes or will constitute a default under any other agreement or contract that relates to the Property or to which **COUNTY** is a party.

14.1.7 Authority. No consents, documents, or approvals that have not been obtained are necessary to the effectiveness of the grant of the Option by **COUNTY**.

14.2 Changed Conditions. If **COUNTY** discovers that one or more of the Warranties or one of the conditions referred to in the Warranties has changed after this Agreement is executed, through no fault of **COUNTY**, **COUNTY** shall

immediately inform **OPTIONEE**, in writing, of such discovery. If the changed condition or Warranty cannot be cured within 10 days of the date **COUNTY** discovers the change, then **OPTIONEE** may terminate this Agreement (and its exercise of the Option, if any) by giving written notice of termination to **COUNTY** within 15 days after receiving the notice from **COUNTY**.

Section 15. Recording

On the Effective Date, **COUNTY** shall execute, acknowledge, and deliver to **OPTIONEE** a Memorandum in the form attached as Exhibit B. If **OPTIONEE** fails to exercise the Option before the Term expires, **OPTIONEE** shall execute, acknowledge, and deliver to **COUNTY** a Bargain and Sale deed conveying its interest in the Property.

Section 16. Waiver

Failure by **COUNTY** or **OPTIONEE** to enforce any right under this Agreement shall not be deemed to be a waiver of that right or of any other right.

Section 17. Successors and Assigns

Subject to the limitations on **COUNTY**'s right to convey the Property set forth elsewhere herein, the terms, covenants, and conditions herein contained shall be binding on and inure to the benefit of the heirs, successors, and assigns of **COUNTY** and **OPTIONEE**. **OPTIONEE** may assign its interest in this Option Agreement and the Property to any person or entity, without the consent of **COUNTY**. If an assignee assumes the obligations of **OPTIONEE** hereunder, then **OPTIONEE** shall have no further liability with respect to this Agreement.

Section 18. Notices

All notices required or permitted to be given shall be in writing and shall be deemed given and received on personal service or deposit in the United States Mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To COUNTY :	Lane County Department of Public Works Attn: Frank Simas, Right of Way Manager 3040 North Delta Highway Eugene, OR 97408
To OPTIONEE :	Eugene Self Storage, L.L.C. PO Box 906 Corvallis, OR 97339

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above shall be effective when received by the party for whom it is intended.

Section 19. Attorney Fees

If litigation is instituted with respect to this Agreement, the prevailing party shall

be entitled to recover from the losing party, in addition to all other sums and allowable costs, its reasonable attorney fees, both in preparation for and at trial and any appeal or review, such amount to be set by the court before which the matter is heard.

Section 20. Real Estate Commission

OPTIONEE shall not pay any commission or finder's fees that may be due any third parties on account of this transaction.

Section 22. Integration, Modification, or Amendments

This Agreement contains the entire agreement of the parties with respect to the Property and supersedes all prior written and oral negotiations and agreements with respect to the Property. Any modifications, changes, additions, or deletions to this Agreement must be approved by **COUNTY** and **OPTIONEE**, in writing.

Section 23. Representation

COUNTY and **OPTIONEE** have each been represented by separate legal counsel of choice with respect to this transaction. Except as otherwise provided in Section 19, each party shall be responsible for all attorney fees incurred by it with respect to this Agreement.

Section 24. Counterparts; Pronouns

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same Agreement and shall be effective when one or more counterparts have been signed and delivered by **COUNTY** and **OPTIONEE**. With respect to any pronouns used, each gender used shall include the other gender and the singular the plural, as the context may require.

Section 25. Governing Law; Interpretation

This Agreement shall be governed by the laws of Oregon. If a court of competent jurisdiction holds any portion of this Agreement to be void or unenforceable as written, **COUNTY** and **OPTIONEE** intend that (1) that portion of this Agreement be enforced to the extent permitted by law, and (2) the balance of this Agreement remain in full force and effect.

Section 26. Time Is of the Essence

Time is of the essence of this Agreement.

Section 27. Authority to Execute

Each person executing this Agreement on behalf of **COUNTY** and **OPTIONEE**, respectively, warrants his or her authority to do so.

Section 28. Statutory Disclaimer

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR OPTIONEE PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Section 29. Confidentiality

COUNTY and OPTIONEE hereby acknowledge that OPTIONEE is a political subdivision of the State of Oregon and as such may be required to disclose the terms of this agreement or any information relating to it to other persons than the consultants and the entities engaged to assist in the consummation of this Agreement, such as the Title Company. If the Option is not exercised, then OPTIONEE shall return to COUNTY all documents and information delivered to OPTIONEE by COUNTY. Nothing contained herein shall operate to prevent or limit the right of COUNTY or OPTIONEE to disclose the terms of this Agreement or any other information relating to it in conjunction with any litigation, land use proceeding, or other proceeding instituted with respect to this Agreement or the Property.

Executed on the day and year first above written.

COUNTY:

By: _____

Name: _____

Title: _____

OPTIONEE:

By: _____

Name: _____

Title: _____

Attachments:

Exhibit A—Property

Exhibit B—Form of Memorandum

EXHIBIT A

LEGAL DESCRIPTION

Those certain public use restrictions as set forth in the the Quitclaim Deed from Lane County to the City of Eugene, recorded September 19, 1969 in Reel 453R Lane County Official Records at Recorder's Reception Number 81417 in the Office of Deeds and Records in Lane County, Oregon as said restrictions affect that certain real property described as follows:

A parcel of land lying in the SW one-quarter of Section 34, Township 17 South, Range 4 West of the Willamette Meridian, Lane County, Oregon, and more particularly described as that real property described in the Quitclaim Deed from the City of Eugene, an Oregon Municipal Corporation, to Eugene Self Storage, LLC, an Illinois Limited Liability Company, and recorded April 28, 2006, under Recorder's Reception Number 2006-029408, in the Office of Deeds and Records of Lane County, Oregon.

MEMORANDUM OF OPTION

Optionor: **LANE COUNTY,**
a political subdivision of the State of Oregon
Lane County Public Works
3040 Delta Hwy. North, Eugene, OR 97408-1696

Optionee: **EUGENE SELF STORAGE, L.L.C.** an Illinois Limited Liability Company
PO Box 906
Corvallis, OR 97339

Return: **MARC H. KARDELL**
OFFICE OF LANE COUNTY LEGAL COUNSEL
125 E. 8th Avenue, Eugene, OR 97401

KNOW ALL PERSONS BY THESE PRESENTS, that by Option Agreement dated _____, 2006, LANE COUNTY, a political subdivision of the State of Oregon, has granted to EUGENE SELF STORAGE, L.L.C., the option to purchase all of LANE COUNTY'S interest in the real property described in the attached Legal Description. The terms and conditions of the Option or purchase are as set forth in the Option Agreement of even date herewith.

OPTIONOR:
Lane County, a political Subdivision of
The State of Oregon

By: _____
William A. Van Vactor
County Administrative Officer

STATE OF OREGON:
 : ss.
County of Lane :

On the _____ day of _____, 2006, personally appeared before me, William A. Van Vactor, and acknowledged the foregoing instrument to be his voluntary act and deed.

Notary Public for Oregon

**LEGAL DESCRIPTION
FOR
MEMORANDUM OF OPTION**

Those certain public use restrictions as set forth in the the Quitclaim Deed from Lane County to the City of Eugene, recorded September 19, 1969 in Reel 453R Lane County Official Records at Recorder's Reception Number 81417 in the Office of Deeds and Records in Lane County, Oregon as said restrictions affect that certain real property described as follows:

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EXHIBIT "B"