



BOARD OF COUNTY COMMISSIONERS

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October 21, 2015

Teresa Smith
Citizens Bank
455 NE Baker Street
McMinnville, Oregon 97128

Dear Ms. Smith,

Please accept this as a summary of the current understandings between the parties and an outline of the terms under which Yamhill County, a political subdivision of the state of Oregon (the "County") would agree to purchase from Kit Johnston, doing business as Kit Johnston Farms (the "Johnstons"), the real property and improvements located at 3500 NE Three Mile Lane, McMinnville, Oregon, 97128, also known as tax lots R4426-00300 and R4426-00400 (the "Property").

Outline of the Terms and Conditions of Purchase:

1. Execution of a Purchase and Sale Agreement by and between the County and the Johnstons (the "PSA"), with, among other terms and conditions, a purchase price for the Property of \$2,100,000.00.
2. Property to be conveyed by deed in recordable form from the Johnstons to the County immediately following the conveyance of the Property, together with the 3500 NE Three Mile Lane parcel (tax lot R4426-00204) (the "Johnston Property"), from the bankruptcy trustee (the "Trustee") to the Johnstons. Closing tentatively scheduled for no sooner than November 13, 2015.
3. County's obligation to purchase is contingent upon securing financing. County believes it will be able to secure appropriate financing for this acquisition.
4. County's obligation to purchase is also contingent upon, (i) securing permanent easements on, over, through, under and across portions of the Johnston Property, as further detailed in an Access and Utilities Easement Agreement to be executed by and between County and the Johnstons prior to closing (the "Easement Agreement"), and recorded simultaneously with the deed at closing; and (ii) the Johnston's continued assistance in completing and filing with the City of McMinnville at closing the application materials and related paperwork necessary to complete a lot line adjustment between the Property and the Johnston Property, as further described in the PSA.

If you have any questions about these items, or if you would like to discuss this further, feel free to give me a call at your convenience.

Thank you,


Mary Starrett, Vice Chair
Yamhill County Board of Commissioners


Stan Primozech, Commissioner
Yamhill County Board of Commissioners

B.O. 15-435