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March 24, 2006

VIA FIRST CLASS MAIL

Mr. John S. Thomas
Office of the Multnomah County Attorney
501 SE Hawthorne Blvd., Suite 500
Portland, OR 97214

Re: English Measure 37 Claim

Settlement Discussions

Dear John:

Thanks for meeting with us last Friday to review the next steps for development of the English property, and to negotiate a settlement in order to head off litigating this case. This letter is a continuance of those settlement discussions. In your previous correspondence, reference was made to a conceptual land division plan. Since that time, Mrs. English's funds for the engineering consultant have been exhausted. At our meeting, we proposed a solution that will allow the county and other agencies to check that the proposed development meets the various safety standards that apply to new lots and homes, without the need for a formal plat review.

We believe Mrs. English is entitled to create at least two new lawful parcels out of her existing property by simply deeding them based on what she could have done when she acquired the property in 1953. At that time, there were no county requirements – land use or otherwise – that restricted Mrs. English's ability to partition the property by recording deeds with the legal descriptions of the new parcels. We have double checked the State waiver and it can be done per that waiver, because in 1953 there were no state requirements restricting the ability to partition. We also checked this with a real estate lawyer here in my firm.

We propose creation of two new parcels by having Mrs. English execute and record deeds conveying the new parcels from herself to herself. Legal descriptions will be included in the deeds, conforming with Parcels 2 and 3 in the attached drawing of the legal descriptions. Those two new parcels will be lawfully created lots pursuant to the approved County and State Measure 37 Orders.

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EXHIBIT

A1

The next step will be to submit a building permit application to the City of Portland, which as you know administers the building code for properties in the County. The building permit application will include a detailed site plan, drawn to scale. The City will, as its custom, circulate the application among the pertinent people and agencies, including the County planning office. We are asking you to approve the building permit application regarding the parcels' status as legal lots and other zoning requirements, and in the meantime take whatever action required so that approval will occur within the Measure 37 claim we have filed. We understand the Board of Commissioners will likely need to amend their original Order on the claim, and need that to occur before the City of Portland sends the building permit papers over to the County planning office.

As we explained at the meeting, we are confident that legitimate safety requirements that you assert are exempt from Measure 37 can be met. We have previously met with the Tualatin Valley Fire and Rescue staff to ensure fire safety and emergency vehicle access. They will also receive a copy of the building permit application, and will need to review and approve it, in writing, before the City will issue a building permit for a dwelling. This is the usual process for ensuring compliance with the fire code, and assures the County that the safety requirements are met.

The City's staff will review the whole gamut of other safety and building code issues, including slopes, foundation engineering, potable water, grading, and erosion control. As you know, Parcel 2 was previously approved, developed and used as a home site, so we know that it works. The City will allow a new home to be placed in the same location, and reconnection of the existing electrical and septic services that were capped off when the prior dwelling was removed. We provided copies of the City's permit papers reflecting this, including sketches of the original septic system layout. Our plan is to pull the building permit for Parcel 2 as soon as possible, and apply for a building permit on Parcel 3 at a later time, but using the same process.

Mrs. English just does not have the funds to provide a formal plat as you have suggested and we are confident she could not be made to do that if we had to litigate, because there was no requirement for a plat in 1953. Once she gets the first two parcels built, she will transfer them, which will generate funds for a plat with details, including the details regarding the County road alignment, hopefully early in 2007. Our willingness to have her do the partition and building is a way to avoid a further fight on the transferability issue but understand that we believe she is lawfully entitled to transfer both her rights under Measure 37 and certainly parcels alone once created.

Please understand that while we disagree with any assertion that Mrs. English can be required to apply for an expensive and time consuming land use approval, we do intend to provide information as needed to satisfy any safety or health concerns that arise in the course of the building permit application, and have the County approve it within its Measure 37 final action. This will avoid a litigious fight over the several issues we discussed.

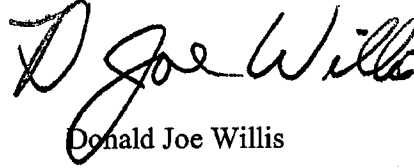
Considering the remarkably small scale of the proposed development, and the willingness of the State, the City and TVFR to approve the project, we hope you'll agree that litigation



Mr. John S. Thomas
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would not be a responsible use of the County's resources. Thanks again for your assistance, and please let me know if the County is amenable to this plan for development of the English property.

Sincerely,

A handwritten signature in black ink, appearing to read "D Joe Willis". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Donald Joe Willis

JW:

Enclosure

cc: Dorothy English
Joseph Schaefer



[illegible]

PARCEL 3 - 2 ACRES +/-

REMAINDER PARCEL - 15.3 ACRES +/-

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