

(10/17/92)
ALTA Owner's Policy



CITY OF NEWBERG
CITY RECORDER INDEX NO. 165028

POLICY OF TITLE INSURANCE



CITY OF NEWBERG
CITY RECORDER INDEX NO. 1607

ISSUED BY

First American Title Insurance Company of Oregon

200 S.W. Market St. • Portland, Oregon 97201 • (503) 222-3651

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON, a Oregon corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

Reference
Legal file
NO. 30005-
01790.

Countersigned

Mary Paola
Authorized Officer

Title Insurance Company of Oregon

dba FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON

BY Charles J. O'Rourke PRESIDENT

ATTEST Don McElroy SECRETARY



EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
 - Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters:
 - created, suffered, assumed or agreed to by the insured claimant;
 - not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - resulting in no loss or damage to the insured claimant;
 - attaching or created subsequent to Date of Policy; or
 - resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the Insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - to timely record the instrument of transfer; or
 - of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:

- "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.
- "insured claimant": an insured claiming loss or damage.
- "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- "land": the land described or referred to in Schedule (A), and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A), nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions From Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable

by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE.

It is expressly understood that the Amount of Insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS.

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT.

(a) **The Company's Right of Subrogation.**

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy,

estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS; DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense, shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the Company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE.

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs (b)(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A;

or
(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the Amount of Insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the Amount of Insurance at Date of Policy bears to the total value of the insured estate or interest at Date of Policy; or (ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of Insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT.

If the land described in Schedule (A)(C) consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the Amount of Insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable

and any policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against non-insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION.

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.

(a) This policy together with all endorsements, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY.

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at its main office at 200 S.W. Market, Suite 250, Portland, Oregon 97201-5730, or to the office which issued this policy.

ALTA OWNERS POLICY
(10-17-92)

SCHEDULE A

Policy No.: 165028/64564

Amount of Insurance: \$ 97,836.80

Premium: \$ 449.00

Date of Policy: January 30, 1998, at 11:17 A.M.

1. Name of Insured:

THE CITY OF NEWBERG
an Oregon Municipal Corporation

2. The estate or interest in the land which is covered by this policy is:

fee simple;

3. Title to the estate or interest in the land is vested in:

THE CITY OF NEWBERG
an Oregon Municipal Corporation

4. The land referred to in this policy is described as follows:

See EXHIBIT "A", attached;

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorney's fees or expenses, which arise by reason of the following:

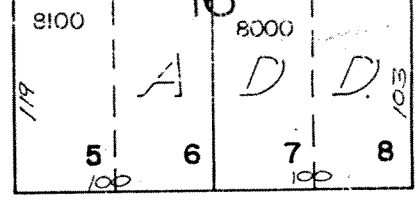
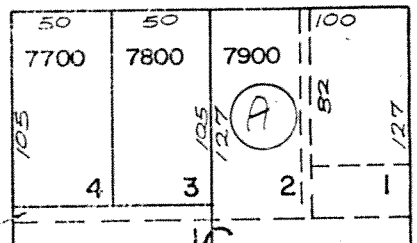
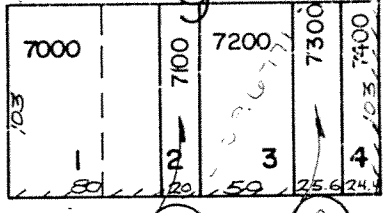
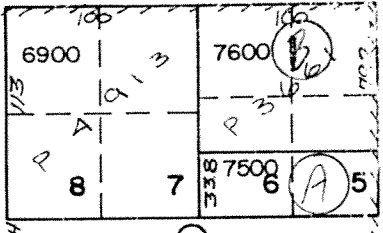
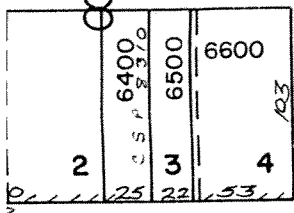
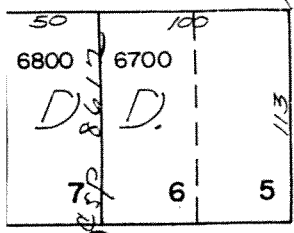
1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, encumbrances, or claims thereof, not shown by the public records, unpatented mining claims, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose.
6. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.
7. Easements in vacated alley.
8. The tax amount has been reduced by reason of Non-Profit Organization Exemption. If the exempt status is terminated under the statute prior to the date on which the assessment roll becomes the tax roll in the year in which said taxes were assessed, an additional tax may be levied.

EXHIBIT "A"

The South half of the following described tract: Beginning at the Northwest corner of Block 11 in EVEREST'S ADDITION to the Town of Newberg, Yamhill County, Oregon; thence East along the South line of Second Street 122 feet; thence South parallel with the East line of Blaine Street to the North line of the alley running East and West through Church Addition to the City of Newberg; thence West along the North line of said alley, 122 feet to the East line of Blaine Street; thence North to the place of beginning.

TOGETHER WITH that part of vacated alley adjoining on the South, which accrued by Vacation Ordinance No. 94-2391, recorded October 20, 1994 in Film Volume 318, Page 127, Deed and Mortgage Records.

EXCEPTING THEREFROM the East 55 feet conveyed to the City of Newberg, by deed recorded in Film Volume 44, Page 932, Deed and Mortgage Records.

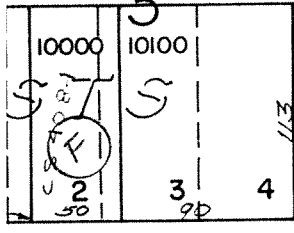
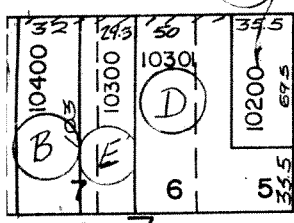


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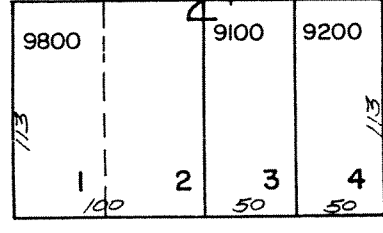
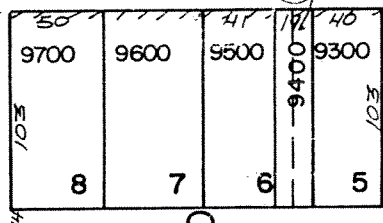
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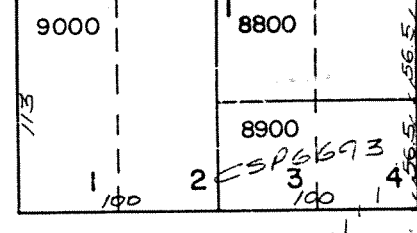
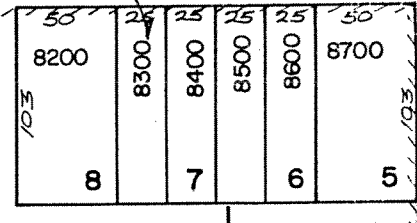


WASHINGTON



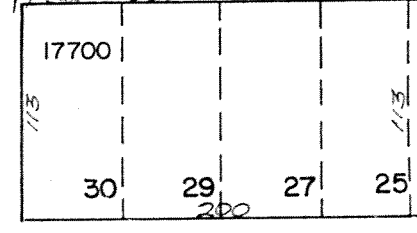
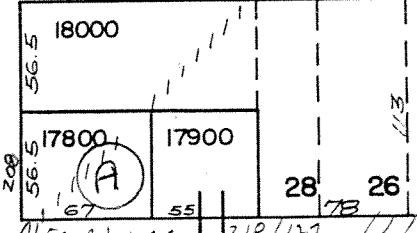
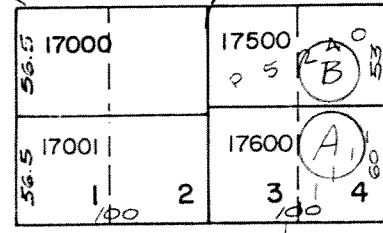
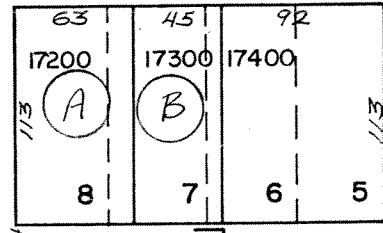
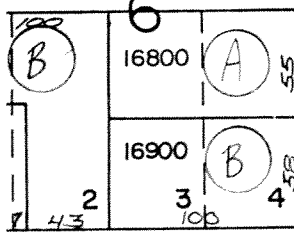
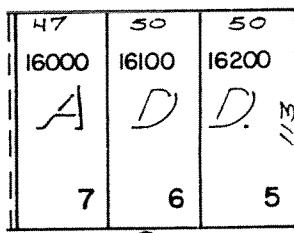
ST.

BLAINE



N 19,896.21
E 41,039.33

HOWARD



N 19,398.15
E 40,513.81

N 19,397.69
E 40,772.81

N 19,396.81
E 41,038.60

ST.



This sketch is furnished to help you locate the property. It is not a survey and the company assumes no liability for errors.

Northwest Title Company
472-4627 538-7361

3 2 19AB



Title Order No. 64564
Escrow No. 20513A

THIS Recorded in Official Yamhill County Records
CHARLES STERN, COUNTY CLERK



199801740 11:17am 01/30/98

After Recording Return to:

001 061487 10 04 000200
1 0 D08 2 10.00 10.00 20.00 0.00 0.00 0.00

THE CITY OF NEWBERG
414 E. First St.
Newberg, Oregon 97132

Until a change is requested all tax statements
shall be sent to the following address:

THE CITY OF NEWBERG
414 E. First St
Newberg, Oregon 97132

STATUTORY WARRANTY DEED

NEWBERG AREA HABITAT FOR HUMANITY, Grantor, conveys and warrants to, THE CITY OF NEWBERG,
an Oregon Municipal Corporation, Grantee, the following described property free of liens and
encumbrances, except as specifically set forth herein:

See Exhibit "A" Attached

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 COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO
DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS
30.930.

This property is free of liens and encumbrances, EXCEPT: Rigths of the public to roads and highways;
Easements in vacated alley, Exempted Tax Status

The true consideration for this conveyance is \$ 97,836.80

Dated this 28th day of January, 1998

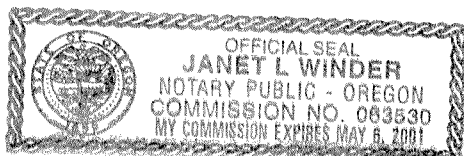
NEWBERG AREA HABITAT FOR HUMANITY

Gene Dykema, President

Mary H. Suddarth, Secretary

STATE OF OREGON, COUNTY OF YAMHILL)ss.

The foregoing instrument was acknowledged before me this 28 day of January, 1998 by
Gene Dykema, President and Mary H. Suddarth, Secretary of NEWBERG AREA
HABITAT FOR HUMANITY



Janet L. Winder
Notary Public for Oregon
My Commission Expires: 5/6/01

NORTHWEST TITLE COMPANY

EXHIBIT "A"

The South half of the following described tract: Beginning at the Northwest corner of Block 11 in EVEREST'S ADDITION to the Town of Newberg, Yamhill County, Oregon; thence East along the South line of Second Street 122 feet; thence South parallel with the East line of Blaine Street to the North line of the alley running East and West through Church Addition to the City of Newberg; thence West along the North line of said alley, 122 feet to the East line of Blaine Street; thence North to the place of beginning.

TOGETHER WITH that part of vacated alley adjoining on the South, which accrued by Vacation Ordinance No. 94-2391, recorded October 20, 1994 in Film Volume 318, Page 127, Deed and Mortgage Records.

EXCEPTING THEREFROM the East 55 feet conveyed to the City of Newberg, by deed recorded in Film Volume 44, Page 932, Deed and Mortgage Records.

Resolution to Authorize the Board of Directors
to
Negotiate the Sale
of the
Building at 208 S. Blaine St., Newberg, Oregon

Whereas, the City of Newberg is interested in purchasing the building commonly known as the Newberg Senior Citizens Club at 208 S. Blaine St., Newberg, Oregon;

Whereas, the membership has declined substantially;

Whereas, the cost of maintaining said premises is a hardship for the limited membership;


Whereas, the City of Newberg is willing to pay the appraised value, per an appraisal by Larry C. Hindman, dated February 25, 1996, for the sum of \$97,836.80;

NOW THEREFORE, BE IT:


Resolved, that the Board of Directors is authorized and directed to effect the sale of said building to the City of Newberg for sum of money not less than \$97,836.80;

And to take such other action as the Board of Directors determine is necessary to effect the sale of said building to the City of Newberg.

In witness whereof, the aforesaid resolution was adopted by the membership on September 4, 1997.



Earl Anton, President



Louise Clausen, Secretary

**MINUTES
OF
MEETING OF MEMBERSHIP
OF THE NEWBERG SENIOR
CITIZENS CLUB (CLUB)**

A duly called meeting of the membership of the Club was held on 8 day of January, 1998. A quorum of the membership was present. The membership met and various matters were discussed.

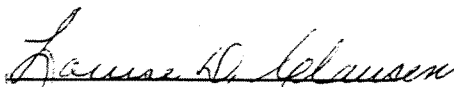
The Resolution attached and marked as Exhibit A dealing with the sale of the building and property located at 208 South Blaine Street, Newberg, Oregon was presented to the membership. The membership passed the Resolution.

After discussion, the meeting was adjourned.

IN WITNESS WHEREOF, the President and Secretary have affixed their signatures on this 8 day of January, 1998.



Earl Anton, President



Louise D. Clausen, Secretary

Exhibit "A"
to Minutes of Meeting

**RESOLUTION
OF
NEWBERG SENIOR CITIZENS CLUB
AN OREGON NONPROFIT CORPORATION**

A RESOLUTION AUTHORIZING THE BOARD OF DIRECTORS TO DONATE THE BUILDING AND PROPERTY AT 208 SOUTH BLAINE STREET, NEWBERG, OREGON TO NEWBERG AREA HABITAT FOR HUMANITY, INC. ON CONDITION THAT IT SELL BUILDING AND PROPERTY TO CITY OF NEWBERG FOR THE SUM OF NINETY-SEVEN THOUSAND EIGHT HUNDRED THIRTY-SIX DOLLARS AND EIGHTY CENTS (\$97,836.80).

RECITALS:

1. The Newberg Senior Citizens Club (Club) is a nonprofit corporation that owns the building and property located at 208 South Blaine Street, Newberg, Oregon (Tax Lot No. 3219 AB 8200).
2. On September 4, 1996, the membership authorized the Board of Directors to negotiate a sale of building and property to the City of Newberg (City).
3. The Newberg Area Habitat for Humanity, Inc. (Habitat) is a nonprofit corporation doing humanitarian work providing housing for families in need of housing.
4. After consideration of the sale of the property to the City and the use of the proceeds of such sale, the Board of Directors of the Club recommends that the property be donated to Habitat on condition that it sell the property to the City.
5. The funds received by Habitat for the sale of the property would be used for the humanitarian work done by Habitat.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERSHIP OF THE NEWBERG SENIOR CITIZENS CLUB AS FOLLOWS:

1. The Board of Directors is authorized and directed to donate the building and property at 208 South Blaine Street, Newberg, Oregon to Newberg Area Habitat for Humanity, Inc. subject to the condition stated in paragraph 2.
2. The donation is made to Habitat on condition that Habitat sell the property to the City of Newberg for the sum of Ninety-Seven Thousand Eight Hundred Thirty-six Dollars and Eighty Cents (\$97,836.80).
3. The Board is further authorized and directed to take any actions, execute any documents, and do any other necessary acts to complete this transaction.

ADOPTED BY THE MEMBERSHIP OF THE NEWBERG SENIOR CITIZENS CLUB ON this 8th day of January, 1998.

IN WITNESS WHEREOF, the President and Secretary of the Newberg Senior Citizens Club has affixed their signatures.


Earl Anton, President



Louise D. Clausen, Secretary

Exhibit "A"
to Minutes of Meeting

**RESOLUTION
OF
THE BOARD OF DIRECTORS
OF NEWBERG AREA HABITAT FOR HUMANITY**

A RESOLUTION AUTHORIZING THE BOARD OF DIRECTORS OF NEWBERG AREA HABITAT FOR HUMANITY TO SELL THE BUILDING AND PROPERTY AT 208 SOUTH BLAINE STREET, NEWBERG, OREGON TO THE CITY OF NEWBERG FOR THE SUM OF NINETY-SEVEN THOUSAND EIGHT HUNDRED THIRTY-SIX DOLLARS AND EIGHTY CENTS (\$97,836.80).

RECITALS:

1. By Resolution on January 8, 1998, the Newberg Senior Citizens Club (Club) who authorized the donation of the building and property located at 208 South Blaine Street, Newberg, Oregon (Tax Lot No. 3219 AB 8200) to the Newberg Area Habitat for Humanity (Habitat) subject to the condition that the property would be sold to the City of Newberg for the sum of Ninety-Seven Thousand Eight Hundred Thirty-six Dollars and Eighty Cents (\$97,836.80).
2. The Board of Directors of Habitat are authorized to accept donation of said property.
3. The Board of Directors of Habitat are authorized to sell property of Habitat to the City of Newberg.

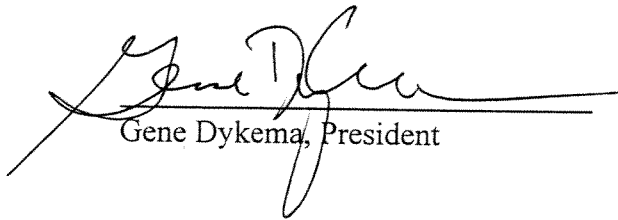
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF NEWBERG AREA HABITAT FOR HUMANITY AS FOLLOWS:

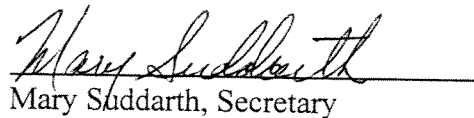
1. Habitat accepts the donation from Newberg Senior Citizens Club of the building and property located at 208 South Blaine Street, Newberg, Oregon (Tax Lot No. 3219 AB 8200) subject to the conditions set out in the Resolution of the Club.
2. The Board is authorized to sell the property to the City of Newberg for the sum of Ninety-Seven Thousand Eight Hundred Thirty-six Dollars and Eighty Cents (\$97,836.80).

3. The Board of Directors and its Officers are authorized to take all necessary actions, execute all necessary documents, and do all other necessary acts to complete this transaction.
4. Habitat accepts any tax liability of Club that are the consequence for this donation and agrees to defend and indemnify the Club and its members and officers against any claims or actions concerning any such tax liability.

ADOPTED BY THE BOARD OF DIRECTORS OF THE NEWBERG AREA HABITAT FOR HUMANITY ON this 20th day of January, 1998.

IN WITNESS WHEREOF, the President and Secretary of the Newberg Area Habitat for Humanity has affixed their signatures.


Gene Dykema, President


Mary Suddarth, Secretary

**NEWBERG AREA HABITAT FOR HUMANITY
BOARD OF DIRECTORS MEETING**

January 20, 1998

PRESENT: Gene Dykema, LeRoy Benham, David Krier, Mary Suddarth, Julie Want, Roy Gathercoal, Wayne Chapman, Jim Hirte, Norma Sohn, Tom Struck, Harlow Ankeny, Mike Olberding, Karen Maas, Robert Goodwin, Matt Schrock

Gene opened the meeting with a prayer.

LeRoy motioned and Mike seconded that the minutes be approved as presented. Motion was carried.

The treasurers report was explained as distributed. Julie stated that a simplified form will be established for distribution to the Board.

Gene asked for reports from the Task Groups that were established at last month's meeting.

Planning Group - A copy of their report is included with the minutes.

Churches - The group did not meet

Land & Site Selection - The group did not meet

Determine Need - The group did not meet

Financial - Harlow will be late coming to this meeting. His report will come later in the minutes.

COMMITTEE REPORTS

BUILDING: Roy reported that Surratt Excavating has started the utility work. It should be finished this week. A decision will have to be made about whether to pave the driveway now or wait until the cement trucks are finished with the foundation of the second building. The CC&R's are in progress. These have to be done for the final Platt. Because the Surratt contract was approved by the Building Committee but not the Board of Directors, Mike motioned and LeRoy seconded approval of the contract. Motion was carried. There is a strong need to recruit more crew leaders with building experience. The Committee states that we cannot start the second building until the first is completed unless we have more supervisors.

COMMUNITY RELATIONS: Karen stated that her committee would like to have a groundbreaking date for the new building and a dedication date for the building in progress. They need some lead time for advertising. After some discussion, the **Groundbreaking Ceremony will be on Friday, February 20, 1998**, probably after lunch. Notice will be given at a later date concerning a definite time. **Dedication Ceremony will be sometime late March or early April.**

DEVELOPMENT: Mike explained the reason for the change in the handling of the Senior Citizens building and property. The Resolution of the Board of Directors of Newberg Area Habitat for Humanity was read and discussed. A vote was taken to accept the Resolution. It passed unanimously. Gene and Mary signed the Resolution to be turned over to the City Council.

Wayne gave his report on the Christmas tree sales and passed around pictures he took of the South Ranch II Habitat for Humanity in Phoenix. He stated that we did not make a lot of money on the project but we created a lot of good-will with a fellow affiliate. He heard of a few who took advantage of the "bargain trees" but generally most of the buyers were very appreciative. Some stated that it was the first time they could afford a Christmas tree. It was decided that, if the trees were still available next year, we would do the project again. It was also decided that we would make early connections with the partnering affiliate and that possibly the Churches in the affiliate area could sell script for the trees. That way the people in need would be sure to get the "bargain trees". It was also mentioned that thank you letters be sent to Earl Anton for the Senior Citizen donation and to Chauncy and Rachel Gettman for their monetary donation.

FAMILY NURTURE: Gene reported that the committee is still recruiting families to partner with homeowners. It is an ongoing process. He also reported that the Clark's have a new baby, Aaron Walter Clark. Cory Fouts is in

the hospital for an appendix operation. The family has no health insurance and they are very concerned about this bill and how they will be able to afford a house. Mike stated that there may be some help available and asked that Roy have the Fouts' contact him as soon as possible.

FAMILY SELECTION: There was no report

FINANCE: Harlow reported that their committee/task group met as one since all the members are the same. They made several resolutions:

1. Resolve to retire the \$57,000.00 note from Enterprise Foundation upon receipt of the City check. Mike motioned and David seconded this resolution. All agreed.
2. That "Windfall" money be put into buying property and building houses and let the mortgage payments be income for Habitat rather than investing the money. Mike motioned and LeRoy seconded the resolution. All agreed.
3. Leroy will be the final member on the Finance Committee along with Julie, Harlow and Tim Voth
4. Julie contacted the local banks to get interest rates on accessible market accounts where we can deposit the money. It was decided to leave the final decision in the hands of the Finance Committee.

SITE SELECTION: We need to encourage John as his committee is very small. LeRoy indicated that his Task Group would be working in conjunction with John's Committee.

VALUES: Norma reported that our 4th quarter tithe of \$5825.41 has been sent to HFHI. That brings our total for 1997 to \$7345.20. She also reported that our **DIVERSITY CELEBRATION WILL BE AT FIRST UNITED METHODIST CHURCH ON FEBRUARY 28, 1998 AT 7:00 P.M.** Letters are in the mail to all the local Churches and we expect several musical groups to perform. There was also discussion about our partnership decision. Our tithe is currently going to South America. Some of our Board members are involved in building projects in Honduras through their Churches. After much discussion, LeRoy motioned and Wayne seconded that we designate our tithe to Honduras with specific affiliates named at a later time. All agreed. Jim, David, Norma and Roy will get together before the next Board meeting to gather more information on the affiliates in Honduras. There also was some discussion about the possibility of sending a building team to Honduras. This subject will be brought up at a later date.

EXECUTIVE DIRECTOR REPORT: Roy stated that we have started our \$261.00/month payments for 47 months to pay off the HOP Grant. On May 7-8-97 we will be hosting a "Habitat" We can expect 100 +-in attendance. He also reminded us that next **Monday, January 26, 1998**, Newberg and McMinnville HFH, CDC, CASA of Oregon and Yamhill County Housing Authority will meet to discuss the need for low income housing and how we can help each other.

Next meeting will be February 16, 1998, 7:30 P.M. at Providence Newberg Hospital

Tom closed the meeting with a prayer.

Respectfully submitted,



Mary Suddarth, Secretary

Newberg Area Habitat for Humanity
Planning Task Group
LeRoy Benham
Gene Dykema
Dave Jeffrey
David Krier

Report to the Board
January 20, 1998

A. Strategic Planning

1. Vision...in place, but needs two tune-ups:

- a. identify stakeholders
- b. determine need

- The ownership of stakeholders in the Habitat enterprise will be enhanced if they have an active part of the visioning process. We therefore need to have contact with stakeholder groups in order to test their subscription to and modification of the vision.

- A research instrument with "push" questions needs to be constructed and utilized with stakeholder groups:

- congregations
- corporations
- city
- other:

2. Goals...set by committees in response to the vision.

Measurable goals are needed in order to motivate action and assure coordination and accountability.

B. Project Planning

1. Time-lines for meeting goals.

2. Coordination of the phasing of events to assure project continuity.
e.g. of fund-raising, building, family nurture, etc.

C. Structure

1. The vagaries of projects, especially within an all-volunteer organization, make communication and on-going coordination key features.

2. In order to enhance communication, coordination, and accountability, we recommend that the Board function as the coordinating body. Under these circumstances, Board members should chair committees. Presuming adequate board numbers, we recommend:

- a Board member chair each standing committee for a period of one year.
- a Board member serve as vice-chair of each committee, to serve as chair the following year.
- each committee chair will submit a written committee report to be included with the agenda for each Board meeting.

D. Time table

The vision and structure portions of the process should be in place by April.

RESOLUTION NO. 97-2072

A RESOLUTION AUTHORIZING THE PURCHASE OF THE PROPERTY AND BUILDING AT 208 SOUTH BLAINE STREET (NEWBERG SENIOR CITIZENS CLUB BUILDING); AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; AUTHORIZING THE BORROWING OF FUNDS FOR THE PURCHASE FROM THE ECONOMIC DEVELOPMENT REVOLVING LOAN FUND (EDRLF); AND AUTHORIZING THE REIMBURSEMENT OF THE EDRLF FROM THE GENERAL FUND.

RECITALS:

1. The property at 208 South Blaine Street (Tax Lot No. 3219 AB 8200) is owned by the Newberg Senior Citizens Club.
2. This property is adjacent to the Newberg Fire Department. It is necessary to acquire in order to provide sufficient space for the ambulance pole garage and parking for the Fire Department employees and volunteers. The City has been interested in acquiring this property for some time.
3. The City had an appraisal performed by Mr. Larry Hindman on February 25, 1996. The appraisal valued the building and land \$97,836.80. The appraisal is now a matter of public record.
4. The City will finance the purchase by internal borrowing. By borrowing the funds internally, the City saves legal and banking expenses (transaction costs), which could add several thousand dollars to the costs. The annual interest rate will be 5.24%, which is the interest rate the City received on the Public Safety bonds. EDRLF Fund has a balance of over \$640,000.00 available for loans. The General Fund will repay the loan to the EDRLF Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEWBERG AS FOLLOWS:

1. The City authorizes the City Manager to purchase the building and property at 208 South Blaine Street for the purchase price nine-seven thousand eight hundred thirty-six dollars and eighty cents (\$97,836.80). The property is owned by the Newberg Senior Citizens Club. A Preliminary Title Report is attached.
2. The City Manager is authorized to do all necessary acts and deeds, sign all documents and enter into all agreements to perfect the purchase including paying for title insurance, escrow closing costs and recording fees. Such amount shall not exceed five thousand dollars (\$5,000.00).
3. The City Council authorizes the borrowing of one-hundred thousand dollars (\$100,000.00) from the Economic Development Revolving Loan Fund in order to finance the purchase of said property.
4. The City Council authorizes the City Manager to finance the purchase of the property by borrowing EDRLF Funds in accordance with Oregon State Statute at an interest rate of 5.5% per annum. The

City Manager is authorized and directed to do all necessary acts to remake the loan each year in accordance with Oregon Revised Statutes, execute all necessary documents and do all other necessary acts and deeds to comply with State Statute concerning interfund borrowing. The loan shall be repaid from General Fund Revenue.


5. All documents and agreements shall be approved as to form and content by the City Attorney.

ADOPTED by the City Council of the City of Newberg, Oregon, this 2nd day of September, 1997.



Duane R. Cole, City Recorder

ATTEST by the Mayor this 3rd day of September, 1997



Donna Proctor, Mayor

**Superseded by
Resolution No. 98-2091**

RESOLUTION NO. 98-2091

A RESOLUTION AUTHORIZING THE PURCHASE OF THE PROPERTY AND BUILDING AT 208 SOUTH BLAINE STREET, (NEWBERG SENIOR CITIZENS CLUB BUILDING) FROM NEWBERG AREA HABITAT FOR HUMANITY; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; AUTHORIZING THE BORROWING OF FUNDS FOR THE PURCHASE FROM THE ECONOMIC DEVELOPMENT REVOLVING LOAN FUND (EDRLF); AND AUTHORIZING THE REIMBURSEMENT OF THE EDRLF FROM THE GENERAL FUND.

RECITALS:

1. The property and building at 208 South Blaine Street (Tax Lot No. 3219 AB 8200) is owned by the Newberg Senior Citizens Club (Club). The property at 208 Blaine Street is owned by the Club and is adjacent to the Newberg Fire Department.
2. This property is being donated to Newberg Area Habitat for Humanity (Habitat) subject to the condition that it be sold to the City of Newberg for Ninety-Seven Thousand Eight Hundred Thirty-six Dollars and Eighty Cents (\$97,836.80).
3. It is necessary to acquire in order to provide sufficient space for the ambulance pole garage and parking for the Fire Department employees and volunteers. The City has been interested in acquiring this property for some time.
4. The City had an appraisal performed by Mr. Larry Hindman on February 25, 1996. The appraisal valued the building and land \$97,836.80. The appraisal is now a matter of public record.
5. The City will finance the purchase by internal borrowing. By borrowing the funds internally, the City saves legal and banking expenses (transaction costs), which could add several thousand dollars to the costs. The annual interest rate will be 5.24%, which is the interest rate the City received on the Public Safety bonds. EDRLF Fund has a balance of over \$640,000.00 available for loans. The General Fund will repay the loan to the EDRLF Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEWBERG AS FOLLOWS:


1. The City authorizes the City Manager to purchase the building and property at 208 South Blaine Street for the purchase price of Ninety-Seven Thousand Eight Hundred Thirty-six Dollars and Eighty Cents (\$97,836.80). The property is being donated to Newberg Area Habitat for Humanity subject to the condition that Habitat sell the property to the City of Newberg for the above stated purchase price.

2. The City Manager is authorized to do all necessary acts and deeds, sign all documents, and enter into all agreements to perfect the purchase including paying for title insurance, escrow closing costs and recording fees. Such amount shall not exceed five thousand dollars (\$5,000.00).
3. The City Council authorizes the borrowing of the necessary funds in an amount not to exceed One Hundred Thousand Three Dollars (\$103,000.00) from the Economic Development Revolving Loan Fund in order to finance the purchase of said property.
4. The City Council authorizes the City Manager to finance the purchase of the property by borrowing EDRLF Funds in accordance with Oregon State Statute at an interest rate of 5.5% per annum. The City Manager is authorized and directed to do all necessary acts to remake the loan each year in accordance with Oregon Revised Statutes, execute all necessary documents and do all other necessary acts and deeds to comply with State Statute concerning interfund borrowing. The loan shall be repaid from General Fund Revenue.
5. All documents and agreements shall be approved as to form and content by the City Attorney.

ADOPTED by the City Council of the City of Newberg, Oregon, this 20 day of January, 1998.


Duane R. Cole, City Recorder

ATTEST by the Mayor this 24 day of January, 1998.


Donna Proctor, Mayor