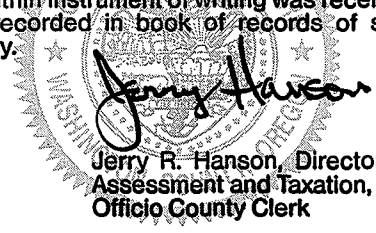


STATE OF OREGON }
County of Washington } SS

I, Jerry R. Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for said county, do hereby certify that the within instrument of writing was received and recorded in book of records of said county.



Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk

Doc : 95094564
Rect: 156230 48.00
12/26/1995 03:51:35PM

1-8

NA

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That R. James Claus, Susan Lynne Claus, Douglas McClure and Christine McClure hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by The City of Sherwood an Oregon Municipality hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Washington County, State of Oregon, described as follows, to-wit:

See EXHIBIT "A", Attached;

In accepting this Deed, Grantee accepts the said property in AS-IS condition, without any warranties or representations whatsoever by Grantor, except as set forth in this Deed as well as the Estoppel Certificate attached hereto as Exhibits "B" and "C" respectively.

**as paid to a qualified accomodator pursuant to an IRC #1031 tax deferred exchange.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto the grantee and grantee's heirs, successors and assigns forever. And grantor hereby covenants to and with grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances see attached Exhibit "D"

and that grantor will warrant and forever defend the premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$600,000.00 ** However, the actual consideration consists of or includes other property or value given or promised which is the whole consideration (indicate which). (The sentence between the symbols @, if not applicable, should be deleted. See ORS 93.030.)

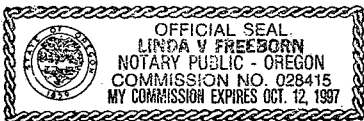
In construing this deed, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

In Witness Whereof, the grantor has executed this instrument this 19th day of December, 1995; if a corporate grantor, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

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.

R. JAMES CLAUS SUSAN LYNNE CLAUS DOUGLAS MCCLURE CHRISTINE MCCLURE

STATE OF OREGON, County of Yamhill) ss. This instrument was acknowledged before me on December 19th, 1995, by R. James Claus and Susan Lynne Claus This instrument was acknowledged before me on , 19, by as of



Linda V. Freeborn Notary Public for Oregon My commission expires 10/12/97

R. James Claus, Susan Lynne Claus, Douglas McClure & Christine McClure

Grantor's Name and Address The City of Sherwood

Grantee's Name and Address

After recording return to (Name, Address, Zip): The City of Sherwood

90 NW Park Sherwood, OR

Until requested otherwise send all tax statements to (Name, Address, Zip): The City of Sherwood

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON, County of) ss.

I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book/reel/volume No. on page and/or as fee/file/instrument/microfilm/reception No. Record of Deeds of said County.

Witness my hand and seal of County affixed.

NAME TITLE By , Deputy.


2

40 8 recorded by First American Title Insurance Company of Oregon

State of California)
County of Placer) ss

Personally appeared the above-named Douglas McClure and Christine McClure before me and acknowledged the foregoing instrument to be their voluntary act and deed.

Subscribed and sworn to before me this 20th day of Dec, 1995.



Notary Public for California
My commission expires 12/30/97

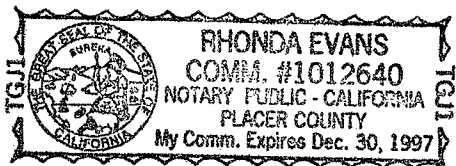


EXHIBIT "A"

The South 75 feet and 8 inches of Lot 5 and all of Lot 6, EXCEPT a parcel in the Northwest corner 24 feet and 4 inches wide North and South and 30 feet long East and West all in Block 1, in the original plat of the TOWN OF SHERWOOD, formerly the TOWN OF SMOCKVILLE, in the City of Sherwood, County of Washington and State of Oregon;

EXHIBIT "B"

ESTOPPEL CERTIFICATE OF LESSORS AND LESSEE
(THE OLD TOWN SALOON)

The undersigned hereby certify, City of Sherwood, prospective purchaser of the leased premises as follows:

(1) That that certain lease dated November 1, 1988, wherein Richard C. Davis/Keith Schramm, is lessor, and Cata Ventures, Inc., is lessee, a copy of which is attached as Exhibit "A", is in full force and effect as modified by Exhibits "B" (modification date September 22, 1995), "C" (letter dated September 21, 1995, Silberblatt to Gunn), "D" (letter dated September 28, 1995, Gunn to Silberblatt), "E" (letter dated November 16, 1995, Gunn to Silberblatt), and "F" (letter dated December 4, 1995, Gunn to Silberblatt) hereto attached, and that there have been no other modifications.

(2) That the lessor's interest in the original lease between Davis and Schramm and lessee was renewed and has been assigned to Mr. and Mrs. R. James Claus and Mr. and Mrs. Douglas McClure, current lessors.

(3) That there are no existing set offs or defenses to enforcement of any of the terms, agreements, and covenants on the part of the lessor or the lessee, and that the obligations of lessor and lessee are not in default as of December 20, 1995.

(4) That all disputes, claims, or breaches arising prior to December 20, 1995, have been fully settled, compromised, resolved and discharged, and that the undersigned will not assert any such claim against the purchaser as successor lessor.

(5) That all rentals due to date have been paid in advance and there is no current violation or breach which would constitute a breach under the lease.

(6) That the current rental pursuant to the term of the lease is \$ 1,149.69 per month.

(7) That there ~~are~~ (are not) refundable deposits paid to lessor, which will be transferred by lessor upon purchase by the City of Sherwood to the City, and thereafter the purchaser will account to lessee for said deposits. The amount of said deposits, if any, is \$ -0-.

(8) That lessee agrees that all the provisions of the September 22, 1995, modification agreement, including but not

limited to, Section 5 with respect to remodeling and installation of an elevator shall apply for the benefit of the City of Sherwood as successor lessor in the event the City purchases the premises.

R. JAMES CLAUS

CATA VENTURES, INC.

SUSAN LYNNE CLAUS

By: _____
JOE CANTONESE

Title: President

DOUGLAS McCLURE

CHRISTINE McCLURE

LESSORS

LESSEE

DATE: _____

DATE: _____

JOE CANTONESE, Guarantor

DATE: _____

6

EXHIBIT "C"

ESTOPPEL CERTIFICATE OF LANDLORD AND TENANT
(MARY'S CURL & SWIRL)

The undersigned hereby certify to the City of Sherwood, prospective purchaser of the leased premises, as follows:

1. Mary Merriman, dba Mary's Curl and Swirl is a tenant of a portion of lessor's premises at _____ in the City of Sherwood, pursuant to an oral agreement for a month-to-month tenancy agreement. There is no written rental agreement.

2. The tenancy is month-to-month from the first day of the month to the last day of the month, and is terminable by either landlord or tenant upon 30 days written notice to the other, or such shorter time as the law may allow in the event of default.

3. The monthly rental is \$400 per month + \$100 for utilities payable in advance. The rental is current and paid through December 31, 1995.

4. There is no current breach or violation of the rental agreement by landlord or tenant, nor are there any existing setoffs or defenses to enforcement of the parties' rights with respect to enforcement of this month-to-month tenancy.

There (are) (are no) refundable deposits paid to landlord which will be transferred by landlord upon purchase by the City of Sherwood to the City of Sherwood. The amount of said deposits, if any is \$-0-, and said amount will be transferred to the City of Sherwood upon purchase and thereafter the purchaser will account for said deposits, if any.

LANDLORD:

TENANT:

R. James Claus

Mary's Curl & Swirl

By: _____
Mary Merriman

Susan Lynne Claus

Address: _____

Douglas McClure

Telephone #: _____

Christine McClure

Date: _____

Date: _____

EXHIBIT "D"

1. Statutory powers and assessments of the Unified Sewerage Agency.
2. Lease with Grantor as current lessor and CATA Ventures Inc. as lessee.
3. Month-to-month tenancy with Grantor as current lessor and Mary Merriman dba Mary's Swirl and Curl as lessee.
4. Month-to-month tenancy with Grantor as current lessor and Sharon Fitzgerald as lessee (Pet Groomer).
5. Sub-lease with CATA Ventures Inc. as lessor and Jewelry Store as lessee.