

WARRANTY DEED

GRANTOR: DONALD G. HITE

GRANTEE: CITY OF SHERWOOD

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

CITY OF SHERWOOD
995 N SHERWOOD BLVD.
SHERWOOD, OREGON 97140

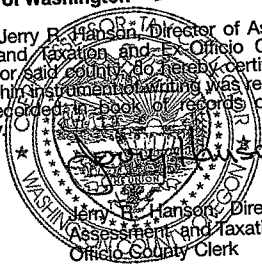
Escrow No. 752291 Title No. 752291

After recording return to:
CITY OF SHERWOOD
995 N SHERWOOD BLVD.
SHERWOOD, OREGON 97140

This S

STATE OF OREGON } SS
County of Washington }

I, Jerry P. Hanson, Director of Assessment and Taxation and Office County Clerk for said county, do hereby certify that the within instrument containing was received and recorded in 2000 records of said county.



Doc : 2000044496
Rect: 256091 67.00
06/06/2000 10:30:47am

STATUTORY WARRANTY DEED

DONALD G. HITE, VIRGINIA HITE, JAMES W. HITE, NANCY D. HITE, DAVID M. HITE, TERRANCE G. HITE, CAROL J. HITE-NELSON and SHARON HITE GILLINGHAM

Grantor, conveys and warrants to CITY OF SHERWOOD, A MUNICIPAL CORPORATION

Grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Washington County, Oregon, to wit:

SEE 'LEGAL DESCRIPTION' ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF.

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. The said property is free from encumbrances except: Judgment entered February 5, 1998, as case no. C970422CV, against the City of Sherwood, in favor of Snyder, LLC; Easements now of record; waiver of remonstrance recorded 8/24/93 as fee #93069213.

The true consideration for this conveyance is \$300,000.00 (Here comply with the requirements of ORS 93.030)

Dated this 5th day of June 2000

James W. Hite
by Donald G. Hite atty in fact

Donald G. Hite
DONALD G. HITE

JAMES W. HITE
NANCY D. HITE
by Donald G. Hite atty in fact

Virginia W. Hite
VIRGINIA W. HITE

State of Oregon, County of Multnomah

The foregoing instrument was acknowledged before me this 5th day of June 2000 by

DONALD G. HITE
VIRGINIA W. HITE
JAMES W. HITE
NANCY D. HITE

David M. Hite
Donald G. Hite atty in fact

David M. Hite
TERRANCE G. HITE
by Donald G. Hite atty in fact

Carol J. Hite-Nelson
by Donald G. Hite atty in fact

Sharon Hite Gillingham
by Donald G. Hite atty in fact

Sharon Hite Gillingham

Notary Public for Oregon
My commission expires:



EXHIBIT 'A'

LEGAL DESCRIPTION

PARCEL 1: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence along said right-of-way line North 44° 13' West 125.0 feet to an iron rod; thence South 45° 47' West 167.78 feet to a point marking the true point of beginning of the property to be hereby conveyed; thence South 45° 74' West 125.0 feet to a point; thence South 44° 13' East 125.0 feet to a point; thence North 45° 47' East 125.0 feet to a point; thence North 44° 13' West 125.0 feet to the true point of beginning.

PARCEL 2: A tract of land 25.00 feet in width, situated in the Southwest one-quarter of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, in the City of Sherwood, County of Washington and State of Oregon, being more particularly described as follows:

Commencing at a point in the Southwesterly right-of-way line of North Sherwood Boulevard, said point being the most Northerly corner of that tract of land conveyed to Donald G. Hite and Virginia Hite for easement and right-of-way purposes by Deed recorded in Book 373 page 608, Washington County Deed Records; thence South 45° 47' West along the Northwesterly line thereof, a distance of 5.00 feet to the true point of beginning; thence continuing South 45° 47' West along said Northwesterly line thereof, a distance of 162.78 feet to the most Westerly corner thereof; thence South 44° 13' East, along the Southwesterly line thereof, a distance of 25.00 feet; thence North 45° 47' East, parallel with the said Northwesterly line thereof, a distance of 162.78 feet; thence North 44° 13' West, a distance of 25.00 feet to the point of beginning.

PARCEL 3: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence South 45° 47' West 5 feet to the true point of beginning; thence North 44° 13' West 100 feet to an iron rod; thence South 45° 47' West 162.78 feet; thence South 44° 13' East 100 feet to a point; thence North 45° 47' East 162.78 feet to the true point of beginning.

STATE OF OREGON,

County of Multnomah

ss.

On this the 5th day of June, 2000, I personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for James W. Hite and that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

[Handwritten Signature]

(Signature)

Notary Public

(Title of Officer)

STATE OF OREGON,

County of Multnomah

ss.

On this the 5th day of June, 2000, I personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for Nancy D. Hite and that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

[Handwritten Signature]

(Signature)

Notary Public

(Title of Officer)

STATE OF OREGON,

County of Multnomah

ss.

On this the 5th day of June, 2000, I personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for David M. Hite and that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

[Handwritten Signature]

(Signature)

Notary Public

(Title of Officer)

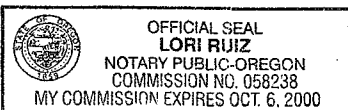
STATE OF OREGON,

County of Multnomah

ss.

On this the 5th day of June, 2000, I personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for Terrence G. Hite and that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

[Handwritten Signature]

(Signature)

Notary Public

(Title of Officer)

3

STATE OF OREGON,

County of Multnomah

} ss.

On this the 5th day of June, 2000, 1/19 personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for

Carol J. Hite Nelson and

that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

Lori Ruiz

(Signature)

Notary Public

(Title of Officer)

STATE OF OREGON,

County of Multnomah

} ss.

On this the 5th day of June, 2000, 1/19 personally appeared Donald G. Hite

who, being duly sworn (or affirmed), did say that he is the attorney in fact for

Sharon Hite Gillingham and

that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.



Before me:

Lori Ruiz

(Signature)

Notary Public

(Title of Officer)

AFFIDAVIT OF HEIRSHIP

STATE OF OREGON)
COUNTY OF Washington)

1. I, Donald G. Hite BEING DULY SWORN, DO DEPOSE AND SAY THAT I AM THE brother OF Woodrow W. Hite, WHO DIED AT Camarillo, CA, ON [REDACTED], 19 ; AND WHO AT THE TIME OF DEATH WAS SURVIVED BY Kathleen Hite (IF NO SURVIVING SPOUSE, ENTER "NONE");

2. SAID Woodrow W. Hite LEFT THE FOLLOWING CHILDREN OR LINEAL DESCENDANTS SURVIVING HIM/HER:

NAME	RELATIONSHIP	AGE
James W. Hite	son	majority
Nancy D. Hite	daughter	majority

3. THERE ARE NO OTHER CHILDREN OR CHILDREN OF DECEASED CHILDREN SURVIVING THE DECEDENT; EXCEPT:

4. THAT ALL THE CHILDREN LISTED IN #2 AND #3 ARE/ARE NOT CHILDREN OF THE SURVIVING SPOUSE; (IF NO SURVIVING SPOUSE, PUT "DNA");

5. THAT SAID DECEDENT DID NOT LEAVE A WILL PROVIDING FOR THE DISPOSITION OF HIS/HER ESTATE;

6. THAT ALL DEBTS, EXPENSES OF LAST ILLNESS and FUNERAL EXPENSES, AND TAXES DUE THE STATE OF OREGON AND THE UNITED STATES HAVE BEEN PAID IN FULL AND THERE ARE NO UNPAID CLAIMS AGAINST SAID DECEDENT OR HIS/HER ESTATE;

7. THAT NO PROBATE OF THE DECEDENT'S ESTATE HAS BEEN COMMENCED IN ANY STATE;

8. THAT I MAKE THIS AFFIDAVIT TO INDUCE TICOR TITLE INSURANCE COMPANY TO ISSUE ITS TITLE INSURANCE POLICY INSURING THE PURCHASERS OF THE FOLLOWING DESCRIBED PROPERTY, WHICH WAS OWNED BY SAID Woodrow W. Hite AT THE TIME OF DEATH, WITHOUT PROBATE OF THE ESTATE, AND I HEREBY AGREE TO INDEMNIFY AND HOLD HARMLESS THE SAID TICOR TITLE INSURANCE COMPANY FROM ANY LOSS OR DAMAGE IT MAY SUSTAIN BY REASON OF ISSUING ITS SAID TITLE INSURANCE POLICY WITHOUT PROBATE OF SAID ESTATE;

9. THE REAL PROPERTY HEREIN REFERRED TO IS DESCRIBED AS FOLLOWS: (OR ATTACHED)

Donald G. Hite
Donald G. Hite

STATE OF OREGON

COUNTY OF Multnomah

SUBSCRIBED and SWORN to before me this 5th day of June, ~~2000~~

by Donald G. Hite

Before me
[Signature]
Notary Public for Oregon
My Commission Expires: _____



STATE OF CALIFORNIA
CERTIFICATION OF VITAL RECORD

COUNTY OF VENTURA
VENTURA, CALIFORNIA

CERTIFICATE OF DEATH 3 199756 003557

STATE FILE NUMBER		STATE OF CALIFORNIA		LOCAL REGISTRATION NUMBER	
1. NAME OF DECEASED (FIRST, MIDDLE, LAST)		2. MIDDLE		3. LAST (FAMILY)	
WOODROW		WILSON		HITE	
4. SEX		5. AGE - YEAR		6. OCCUPATION	
M		82		2030	
7. STATE OF BIRTH		8. MARRIAGE		9. EDUCATION - YEARS COMPLETED	
OR		Married		13	
10. RACE		11. MILITARY SERVICE		12. USUAL EMPLOYER	
White		No		Self Employed	
13. OCCUPATION		14. KIND OF BUSINESS		15. YEARS IN OCCUPATION	
Carpenter		Construction		50	
20. RESIDENCE - STREET AND NUMBER OR LOCATION					
2131 Via Tomas					
21. CITY					
Camarillo					
22. COUNTY					
Ventura					
23. ZIP CODE					
93010					
24. YES IN COUNTY					
0					
25. STATE OF RESIDENCE COUNTRY					
CA					
26. NAME, RELATIONSHIP					
Kathleen Hite - Wife					
27. MAILING ADDRESS (STREET AND NUMBER OR RURAL ROUTE NUMBER, CITY OR TOWN, STATE, ZIP)					
3131 Via Tomas, Camarillo, CA 93010					
28. NAME OF SURVIVING SPOUSE		29. MIDDLE		30. LAST (FAMILY NAME)	
Kathleen		Marie		VIZENES	
31. NAME OF FATHER (FIRST, MIDDLE, LAST)		32. MIDDLE		33. LAST (FAMILY NAME)	
Garfield		Earl		HITE	
34. BIRTH STATE		35. BIRTH DATE		36. BIRTH STATE	
OR				OR	
37. NAME OF MOTHER (FIRST, MIDDLE, LAST)		38. MIDDLE		39. LAST (FAMILY NAME)	
Agnes		Marie		LANGER	
40. PLACE OF FINAL DISPOSITION		41. TYPE OF DISPOSITION			
San Fernando Mission Cem. Mission Hills, CA		Burial			
42. NAME OF FUNERAL DIRECTOR		43. LICENSE NO.		44. LICENSE EXPIRES	
J. T. Oswald Mortuary, SF		FD889		11/07/1997	
45. PLACE OF DEATH		46. IF HOSPITAL, SPECIFY		47. FACILITY OTHER THAN HOSPITAL	
RESIDENCE		No		No	
48. STREET ADDRESS - STREET AND NUMBER OR LOCATION		49. COUNTY		50. CITY	
2131 VIA TOMAS		VENTURA		CAMARILLO	
51. IMMEDIATE CAUSE		52. DUE TO (a)		53. DUE TO (b)	
Lung Cancer		4		None	
54. OTHER SIGNIFICANT CONDITIONS CONTRIBUTING TO DEATH BUT NOT RELATED TO CAUSE GIVEN IN 51		55. WAS OPERATION PERFORMED FOR ANY CONDITION IN ITEM 54 OR 52? YES, LIST TYPE OF OPERATION AND DATE		56. DATE REPORTED TO DEPARTMENT OF HEALTH SERVICES	
None		No		2127-97	
57. I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE DEATH OCCURRED AT THE HOUR, DATE AND PLACE STATED FROM THE CAUSE STATED		58. SIGNATURE AND TITLE OF CERTIFIER		59. LICENSE NO.	
10/06/1997 10/31/1997		WALTER BURSTEIN M.D., 86 DAILY DR., CAMARILLO, CA 93010		G65219	
60. I CERTIFY THAT IN OPINION DEATH OCCURRED AT THE HOUR, DATE AND PLACE STATED FROM THE CAUSE STATED		61. SIGNATURE AND TITLE OF CORONER OR DEPUTY CORONER		62. DATE	
NATURAL		20539			
63. LOCATION (STREET AND NUMBER OR LOCATION AND CITY, ZIP)		64. SIGNATURE AND TITLE OF CORONER OR DEPUTY CORONER		65. DATE	

1 OF 3

271017



CERTIFIED COPY OF VITAL RECORDS

STATE OF CALIFORNIA } SS DATE ISSUED 12/30/1997

HEALTH OFFICER
VENTURA COUNTY, CALIFORNIA



This copy not valid unless prepared on engraved border displaying seal and signature of Registrar.

STATE OF CALIFORNIA
CERTIFICATION OF VITAL RECORD

COUNTY OF VENTURA
VENTURA, CALIFORNIA

AFFIDAVIT TO AMEND A RECORD

2
3 1997 5600 3557

DEATHS AFTER 1-1094
NO ERASURES, WHITEOUTS, OR ALTERATIONS

STATE/LOCAL REGISTRAR USE ONLY

PART I INFORMATION TO LOCATE RECORD—TYPE OR PRINT IN BLACK INK ONLY

NAME AS IT APPEARS ON RECORD: 1. NAME—FIRST GIVEN: Woodrow, 2. MIDDLE: Wilson, 3. LAST NAME: Hite
4. SEX: M, 5. CITY OF OCCURRENCE: Camarillo, 6. COUNTY OF OCCURRENCE: Ventura
7. FATHER'S NAME AS STATED ON ORIGINAL: Garfield Earl Hite, 8. MOTHER'S NAME AS STATED ON ORIGINAL: Agnes Marie Langer

PART II STATEMENT OF CORRECTIONS—NO ERASURES, WHITEOUTS, OR ALTERATIONS

Table with 3 columns: 10. CERTIFICATE (ITEM NUMBER), 11. INFORMATION AS IT APPEARS ON ORIGINAL RECORD, 12. INFORMATION AS IT SHOULD APPEAR. Row 1: 10. 10, 11. [Redacted], 12. [Redacted].

REASON FOR CORRECTION: 13. Typographical Error

AFFIDAVIT AND SIGNATURES: We, the undersigned, hereby certify under penalty of perjury that we have personal knowledge of the above facts and that the information given above is true and correct.

14. SIGNATURE OF FIRST PERSON: [Signature], 15. TITLE/RELATIONSHIP TO PERSON IN PART I: Funeral Director, Manager, 16. DATE SIGNED—MM/DD/CCYY: 11/26/1997

17. AGE: Over 21, 18. ADDRESS (STREET, CITY, STATE, ZIP): 1001 North Macley Avenue, San Fernando, CA 91340, 19. SIGNATURE OF SECOND PERSON: [Signature], 20. TITLE/RELATIONSHIP TO PERSON IN PART I: Funeral Director, Secretary, 21. DATE SIGNED—MM/DD/CCYY: 11/26/1997

22. AGE: Over 21, 23. ADDRESS (STREET, CITY, STATE, ZIP): 1001 North Macley Avenue, San Fernando, CA 91340, 24. SIGNATURE OF STATE OR LOCAL REGISTRAR: Office of State Registrar of Vital Statistics, 25. DATE ACCEPTED FOR REGISTRATION—MM/DD/CCYY: 12/15/1997

271029

CERTIFIED COPY OF VITAL RECORDS

STATE OF CALIFORNIA }
COUNTY OF VENTURA }

DATE ISSUED 12/30/1997

7

This is a true and exact reproduction of the documents officially registered and placed on file in the Vital Records Section, Ventura County Public Health Department, if it bears the date of issue in red ink.

[Signature] HEALTH OFFICER
VENTURA COUNTY, CALIFORNIA

This copy not valid unless prepared on engraved border displaying seal and signature of Registrar.



AFFIDAVIT OF HEIRSHIP

STATE OF OREGON)
COUNTY OF Washington)

1. I, Donald G. Hite BEING DULY SWORN, DO DEPOSE AND SAY THAT I AM THE brother OF F. Marcel Hite, WHO DIED AT Coos Bay, Oregon, ON [REDACTED], 19 ; AND WHO AT THE TIME OF DEATH WAS SURVIVED BY none. (IF NO SURVIVING SPOUSE, ENTER "NONE");

2. SAID F. Marcel Hite LEFT THE FOLLOWING CHILDREN OR LINEAL DESCENDANTS SURVIVING HIM/HER:

NAME	RELATIONSHIP	AGE
David M. Hite	son	majority
Terrance G. Hite	son	majority
Carol J. Hite-Nelson	daughter	majority
Sharon Hite Gillingham	daughter	majority

3. THERE ARE NO OTHER CHILDREN OR CHILDREN OF DECEASED CHILDREN SURVIVING THE DECEDENT; EXCEPT:

4. THAT ALL THE CHILDREN LISTED IN #2 AND #3 ARE/ARE NOT CHILDREN OF THE SURVIVING SPOUSE; (IF NO SURVIVING SPOUSE, PUT "DNA");

5. THAT SAID DECEDENT DID NOT LEAVE A WILL PROVIDING FOR THE DISPOSITION OF HIS/HER ESTATE;

6. THAT ALL DEBTS, EXPENSES OF LAST ILLNESS and FUNERAL EXPENSES, AND TAXES DUE THE STATE OF OREGON AND THE UNITED STATES HAVE BEEN PAID IN FULL AND THERE ARE NO UNPAID CLAIMS AGAINST SAID DECEDENT OR HIS/HER ESTATE;

7. THAT NO PROBATE OF THE DECEDENT'S ESTATE HAS BEEN COMMENCED IN ANY STATE;

8. THAT I MAKE THIS AFFIDAVIT TO INDUCE TICOR TITLE INSURANCE COMPANY TO ISSUE ITS TITLE INSURANCE POLICY INSURING THE PURCHASERS OF THE FOLLOWING DESCRIBED PROPERTY, WHICH WAS OWNED BY SAID F. Marcel Hite AT THE TIME OF DEATH, WITHOUT PROBATE OF THE ESTATE, AND I HEREBY AGREE TO INDEMNIFY AND HOLD HARMLESS THE SAID TICOR TITLE INSURANCE COMPANY FROM ANY LOSS OR DAMAGE IT MAY SUSTAIN BY REASON OF ISSUING ITS SAID TITLE INSURANCE POLICY WITHOUT PROBATE OF SAID ESTATE;

9. THE REAL PROPERTY HEREIN REFERRED TO IS DESCRIBED AS FOLLOWS: (OR ATTACHED)

Donald G. Hite
Donald G. Hite

STATE OF OREGON

COUNTY OF Multnomah

SUBSCRIBED and SWORN to before me this 5th day of June, 2000

by Donald G. Hite

Before me: [Signature]
Notary Public for Oregon
My Commission Expires: 10/06/02



Jack M. & Carol J. Hite Nelson
21500 Morrill Road
Bend, OR 97701

TO

Donald G. Hite
995 N Sherwood Blvd
Sherwood, OR 97140

After recording, return to:
Ron D Ferguson
PO Box 909
Tualatin, OR 97062

COPY

POWER OF ATTORNEY TO SELL REAL ESTATE

KNOW ALL BY THESE PRESENTS, That We, Jack M. Nelson and Carol J. Hite Nelson, husband and wife, have made, constituted and appointed, and by these presents do hereby make, constitute and appoint Donald G. Hite as our true and lawful attorney for us and in our name, place and stead, and for our use and benefit to sell and convey to any party or parties at such price or prices and upon such terms as shall seem equitable, all or any portion of the following described real property situated, lying and being in the county of Washington in the state of Oregon and more particularly described, as follows, to-wit: Tax Lot 7500 (2S129CC), more particularly described as:

See legal description attached hereto as Exhibit 1

with all the privileges and appurtenances thereunto belonging or in any way appertaining, and for us and in our names to make out, execute, acknowledge and deliver proper deeds of conveyance of the same with or without covenants of seisin, freedom from encumbrances and warranty.

GIVING AND GRANTING unto my attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as we might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that my attorney shall lawfully do or cause to be done by virtue of these presents.

In construing this instrument and where the context so requires, the singular includes the plural.

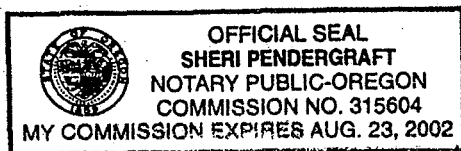
Dated: February 2, 2000

Carol J. Hite Nelson
Carol J. Hite Nelson

Jack M. Nelson
Jack M. Nelson

STATE OF OREGON, County of Deschutes)ss.

This instrument was acknowledged before me on February 2, 2000, by Carol J. Hite Nelson and Jack M. Nelson.



Sheri Pendergraft
Notary Public of Oregon

EXHIBIT 'A'

LEGAL DESCRIPTION

PARCEL 1: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence along said right-of-way line North 44° 13' West 125.0 feet to an iron rod; thence South 45° 47' West 167.78 feet to a point marking the true point of beginning of the property to be hereby conveyed; thence South 45° 74' West 125.0 feet to a point; thence South 44° 13' East 125.0 feet to a point; thence North 45° 47' East 125.0 feet to a point; thence North 44° 13' West 125.0 feet to the true point of beginning.

PARCEL 2: A tract of land 25.00 feet in width, situated in the Southwest one-quarter of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, in the City of Sherwood, County of Washington and State of Oregon, being more particularly described as follows:

Commencing at a point in the Southwesterly right-of-way line of North Sherwood Boulevard, said point being the most Northerly corner of that tract of land conveyed to Donald G. Hite and Virginia Hite for easement and right-of-way purposes by Deed recorded in Book 373 page 608, Washington County Deed Records; thence South 45° 47' West along the Northwesterly line thereof, a distance of 5.00 feet to the true point of beginning; thence continuing South 45° 47' West along said Northwesterly line thereof, a distance of 162.78 feet to the most Westerly corner thereof; thence South 44° 13' East, along the Southwesterly line thereof, a distance of 25.00 feet; thence North 45° 47' East, parallel with the said Northwesterly line thereof, a distance of 162.78 feet; thence North 44° 13' West, a distance of 25.00 feet to the point of beginning.

PARCEL 3: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence South 45° 47' West 5 feet to the true point of beginning; thence North 44° 13' West 100 feet to an iron rod; thence South 45° 47' West 162.78 feet; thence South 44° 13' East 100 feet to a point; thence North 45° 47' East 162.78 feet to the true point of beginning.

Recorded Document

2000-044496

Deed-House - 955 N Sherwood

Blvd - Hite Property - Sold to

City for possible library

expansion -

Reference pages

Not a part of record. For reference use only.

 **TICOR TITLE INSURANCE**

1629 SW SALMON
PORTLAND, OREGON 97205
(503) 224-0550

Finance has
orig.
file w/ deed

CITY OF SHERWOOD
995 N SHERWOOD BLVD.
SHERWOOD, OREGON 97140

Re: Policy No. W752291-TM
995 N SHERWOOD BLVD.
SHERWOOD, OREGON 97140
HITE to CITY OF SHERWOOD

Thank you for allowing Tigor Title Insurance Company to be of service and to provide you with Title Insurance (policy enclosed).

We are happy to offer you not only good service and a friendly staff, but also an additional savings of up to 20% if the property is sold or refinanced within the next three years.

We hope you will allow us to be of service to you in the near future.

Yours very truly,

Tigor Title Insurance
Tom McColloch
Senior Title Officer

Enclosure

KEEP THIS POLICY IN A SAFE PLACE

For faster service on future sales or loans on your property
present this slip to your broker or loan company showing:

TICOR TITLE INSURANCE

Policy No. 752291

We appreciate your business and will continue giving
you the best service possible.



**TICOR
TITLE INSURANCE**

1629 S.W. Salmon Street
Portland, Oregon 97205-1787

Phone (503) 224-0550

SCHEDULE A

AMOUNT: \$300,000.00

DATE: June 6, 2000
At: 10:31 A.M.

PREMIUM: \$1,265.00

POLICY NUMBER: W752291-TM

1. NAME OF INSURED:

CITY OF SHERWOOD,
a municipal corporation

2. THE ESTATE OR INTEREST IN THE LAND WHICH IS COVERED BY THIS POLICY IS:

Fee

3. TITLE TO THE ESTATE OR INTEREST IN THE LAND IS VESTED IN:

CITY OF SHERWOOD,
a municipal corporation

4. THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL 1: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence along said right-of-way line North 44° 13' West 125.0 feet to an iron rod; thence South 45° 47' West 167.78 feet to a point marking the true point of beginning of the property to be hereby conveyed; thence South 45° 74' West 125.0 feet to a point; thence South 44° 13' East 125.0 feet to a point; thence North 45° 47' East 125.0 feet to a point; thence North 44° 13' West 125.0 feet to the true point of beginning.

PARCEL 2: A tract of land 25.00 feet in width, situated in the Southwest one-quarter of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, in the City of Sherwood, County of Washington and State of Oregon, being more particularly described as follows:

Commencing at a point in the Southwesterly right-of-way line of North Sherwood Boulevard, said point being the most Northerly corner of that tract of land

conveyed to Donald G. Hite and Virginia Hite for easement and right-of-way purposes by Deed recorded in Book 373 page 608, Washington County Deed Records; thence South 45° 47' West along the Northwesterly line thereof, a distance of 5.00 feet to the true point of beginning; thence continuing South 45° 47' West along said Northwesterly line thereof, a distance of 162.78 feet to the most Westerly corner thereof; thence South 44° 13' East, along the Southwesterly line thereof, a distance of 25.00 feet; thence North 45° 47' East, parallel with the said Northwesterly line thereof, a distance of 162.78 feet; thence North 44° 13' West, a distance of 25.00 feet to the point of beginning.

PARCEL 3: All the following real property situated in the County of Washington and State of Oregon, being described as follows, to-wit:

Beginning at the Southwest corner of Section 29, Township 2 South, Range 1 West of the Willamette Meridian, and running South 89° 22' East 440.0 feet to an iron pipe; thence North 0° 01' West 469.09 feet to an iron pipe set in the Southwesterly right-of-way line of County Road No. 1021; thence South 45° 47' West 5 feet to the true point of beginning; thence North 44° 13' West 100 feet to an iron rod; thence South 45° 47' West 162.78 feet; thence South 44° 13' East 100 feet to a point; thence North 45° 47' East 162.78 feet to the true point of beginning. -----

SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1.
 - a. 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.
 - b. 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.
 - a. Easements, liens, encumbrances, interests or claims thereof which are not shown by the public records.
 - b. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
4.
 - a. Unpatented mining claims;
 - b. Reservations or exceptions in patents or in Acts authorizing the issuance thereof;
 - c. Water rights, claims or title to water; whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
5. Any lien or right to a lien, for services, labor or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Rights of the public in and to that portion lying within streets, roads and highways.
7. Easement, including the terms and provisions thereof,
From: Donald G. Hite, et al
To: Sherwood Senior Housing Limited Partnership
Recorded: August 23, 1993
Fee: 93068848
Records of Washington County, Oregon.
Affects: Parcel 2
8. Waiver of remonstrance and consent to local improvement, including the terms and provisions thereof,
Filed by: Donald G. Hite
Dated: August 23, 1993
Recorded: August 24, 1993
Fee: 93069213
For: sewer, water, street and storm drains
Records of Washington County, Oregon.

Affects: Parcels 1 and 2

9. Easement, including the terms and provisions thereof,

From: Donald G. Hite, et al

To: The City of Sherwood

Recorded: August 26, 1993

Fee: 93070108

Records of Washington County, Oregon.

10. Judgment in the State Circuit Court,

In favor of: Snyder L.L.C.

Against: City of Sherwood

No.: C970422CV

Date entered: February 5, 1998

Face amount: \$2,461,420.00

Circuit Court Docket Records of Washington County, Oregon.-----

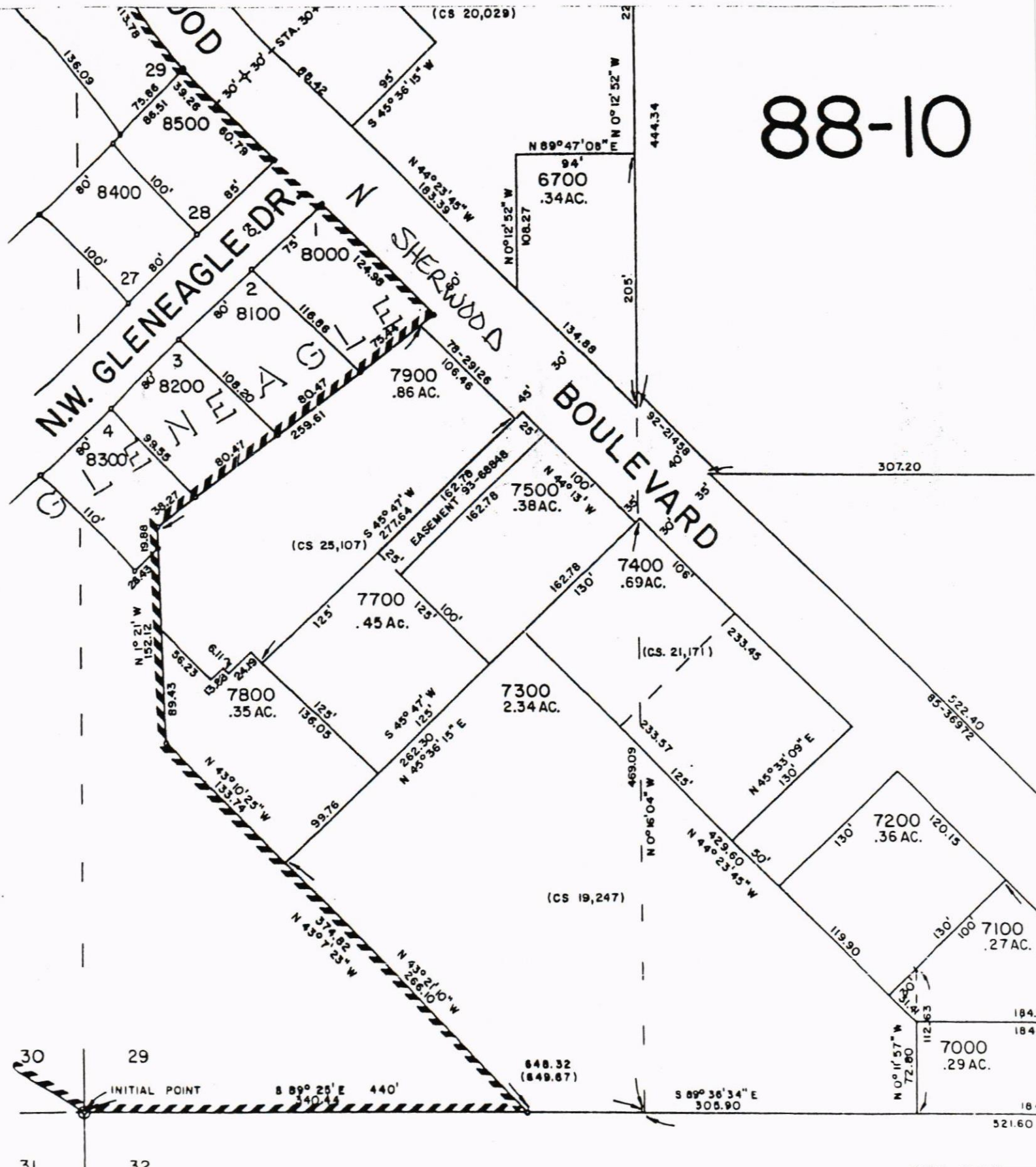
END OF EXCEPTIONS

The sketch below is made solely for the purpose of assisting in locating said premises and the company assumes no liability for variations, if any, in dimensions and location ascertained by actual survey.

TICOR TITLE INSURANCE



88-10



Policy of Title Insurance

**American Land
Title Association
Owner's Policy
(10-17-92)**

**SUBJECT TO THE EXCLUSIONS FROM
COVERAGE, THE EXCEPTIONS FROM
COVERAGE CONTAINED IN SCHEDULE B
AND THE CONDITIONS AND STIPULA-
TIONS, TICOR TITLE INSURANCE COM-
PANY, a California 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;

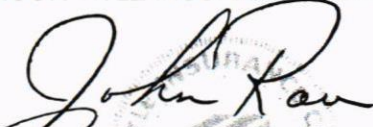
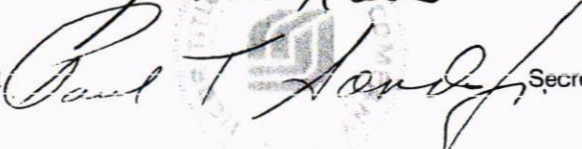
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title.
4. Lack of a right of access to and from the land.

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.

This policy shall not be valid or binding until countersigned below by an authorized signatory of the Company.

Issued by:
TICOR TITLE INSURANCE COMPANY
1629 S.W. SALMON STREET
PORTLAND, OR 97205-1787
(503) 224-0550
FAX (503) 219-2212

TICOR TITLE INSURANCE COMPANY

By  President
Attest  Secretary


Authorized Signatory

**Policy
of
Title
Insurance**

Ticor Title Insurance Company

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

14. ARBITRATION

tion rights by reason of this policy. terms or conditions contained in those instruments which provide for subrogation rights, guarantees, other policies of insurance or bonds, notwithstanding any exist and shall include, without limitation, the rights of the insured to indemnity. The Company's right of subrogation against non-insured obligors shall (b) **The Company's Rights Against Non-Insured Obligors.** The insured claimant of the insured claimant of the Company by reason of the impairment by the insured claimant of the Company by reason of the impairment shall exceed the amount, if any, lost to the Company by reason of the impairment to pay only that part of any losses insured against by this policy which that act shall not void this policy, but the Company, in that event, shall be If loss should result from any act of the insured claimant, as stated above, amount of the loss. 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 rights or remedies. name of the insured claimant in any transaction or litigation involving these sue, compromise or settle in the name of the insured claimant and to use the this right of subrogation. The insured claimant shall permit the Company to and remedies against any person or property necessary in order to perfect the Company, the insured claimant shall transfer to the Company all rights property in respect to the claim had this policy not been issued. If requested by remedies which the insured claimant would have had against any person or The Company shall be subrogated to and be entitled to all rights and of the insured claimant. 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 (a) **The Company's Right of Subrogation.**

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(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.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Ticor Title Insurance Company, Claims Department, P.O. Box 2233, Los Angeles, California 90051.

17. NOTICES, WHERE SENT

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.

16. SEVERABILITY

authorized signatory of the Company. Vice President, the Secretary, an Assistant Secretary, or validating officer or a writing endorsed hereon or attached hereto signed by either the President, a (c) No amendment or endorsement to this policy can be made except by hereby or by any action asserting such claim, shall be restricted to this policy. which arises out of the status of the title to the estate or interest covered (b) Any claim of loss or damage, whether or not based on negligence, and as a whole. (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

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

A copy of the Rules may be obtained from the Company upon request. insurance Arbitration Rules. The law of the situs of the land shall apply to an arbitration under the Title jurisdiction thereof. permit a court to award attorneys' fees to a prevailing party. Judgment upon include attorneys' fees only if the laws of the state in which the land is located effect at Date of Policy shall be binding upon the parties. The award may demand for arbitration is made or, at the option of the insured, the Rules in arbitration pursuant to this policy and under the Rules in effect on the date the arbitrated only when agreed to by both the Company and the insured. Arbitration matters when the Amount of Insurance is in excess of \$1,000,000 shall be arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrable 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 arbitrable at the option of either the Company or the insured. All arbitrable

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 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 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.

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 applicable Schedule 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 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.

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:

1. (a) 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.
- (b) 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.
2. 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.

Conditions and Stipulations

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "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.

(b) "insured claimant": an insured claiming loss or damage.

(c) "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.

(d) "land": the land described or referred to in Schedule A, or in Schedule C if not provided for 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 the applicable Schedule, 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.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "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.

(g) "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. Defects, liens, encumbrances, adverse claims or other matters:

- (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) 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;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) 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.
4. 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;
- (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) 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:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

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