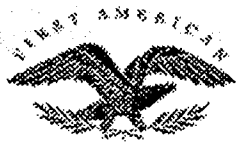


160 TAX
32
20 N/S

Washington County, Oregon 2005-103605
08/26/2005 10:18:34 AM
D-DW Cnt=1 Stn=7 K GRUNEWALD
\$15.00 \$6.00 \$11.00 \$20.00 \$160.00 - Total = \$212.00



THIS SPACE RESERVED

00824731200501036050030030
I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.
Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk



After recording return to:
City of Sherwood
Attn: Jim Patterson, 20 NW
Washington Street
Sherwood, OR 97140

Until a change is requested all tax statements shall be sent to the following address:
City of Sherwood
20 NW Washington Street
Sherwood, OR 97140

File No.: NCS-182417-OR1 (mk)
Date: August 23, 2005

WASHINGTON COUNTY
REAL PROPERTY TRANSFER TAX
\$160.00 8-26-05
FEE PAID DATE

FATCO. NO. NCS-182417

Now 1824 NE First Street

STATUTORY WARRANTY DEED

David D. Cross, Grantor, conveys and warrants to City of Sherwood, Grantee, the following described real property free of liens and encumbrances, except as specifically set forth herein:

A parcel of land situated in the County of Washington and State of Oregon and further described as Lot 2, Block 11, Smock Addition to Sherwood, Washington County Oregon

Excepting therefrom a portion of Lot 2, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11, Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to most Southerly corner thereof; thence Northerly 47 degrees 45 minutes East, 4 feet; thence Northerly 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; thence Southwesterly 47 degrees 45 minutes West, 4 feet to the place of beginning.

And also a part of Lot 1, Block 11, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11 Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to the most Southerly corner thereof; thence North 47 degrees 45 minutes East, 4 feet; thence North 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; thence Southwesterly line of said Lot 1, 94 feet to the Northwesterly line of Lot 1; thence South 47 degrees 45 minutes West, 4 feet to the place of beginning.



APN: R0554572

Statutory Warranty Deed
- continued

File No.: NCS-182417-OR1 (mk)
Date: 08/23/2005

This property is free from liens and encumbrances, EXCEPT:

1. The **2005-2006** Taxes, a lien not yet payable.
2. Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

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 true consideration for this conveyance is **\$160,000.00**. (Here comply with requirements of ORS 93.030)

Dated this 24 day of AUGUST, 2005.

[Signature]
Cross

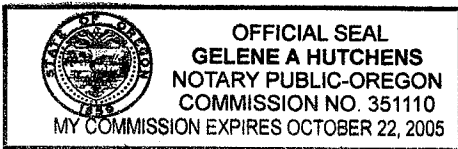
David D. Cross

STATE OF Oregon)
) ss.
County of WASHINGTON)

This instrument was acknowledged before me on this 24th day of August, 2005 by **David D. Cross**.

[Signature]
Hutchens

Notary Public for Oregon
My commission expires:





APN: R0554572

Statutory Warranty Deed
- continued

File No.: NCS-182417-OR1 (mk)
Date: 08/23/2005

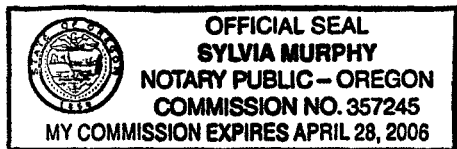
Accepted and Approved by Grantee
City of Sherwood
BY: Ross E. Schultz
Ross E. Schultz, City Manager

STATE OF Oregon)
County of Washington)ss.

This instrument was acknowledged before me on this 23 day of August, 2005
by Ross E. Schultz, City Manager of City of Sherwood, on behalf of the city.

Sylvia Murphy

Notary Public for Oregon
My commission expires:



Recorded Document

2005-103605

Statutory Warranty Deed -

265 NE 1st St now 15824 NE 1st St

Reference pages

Not a part of record. For reference use only.

RECEIVED

OCT 05 2005

CITY OF SHERWOOD



**First American Title Insurance Company
National Commercial Services**

**200 SW Market Street, Suite 250
Portland, OR 97201**

October 03, 2005

City of Sherwood
Attn: Jim Patterson
Sherwood, OR 97140

Title Officer: Jennifer L. Watson
Phone: (503)790-7866

Order Number: NCS-182417-OR1

Escrow Officer: Mavis Kimball
Phone: (503)795-7600

Property: 265 NE 1st Street, Sherwood, OR

Attached please find the following item(s):

A Policy of Title Insurance

Thank You for your confidence and support. We at First American Title Company maintain the fundamental principle:

Customer First!

Policy of Title Insurance



ISSUED BY

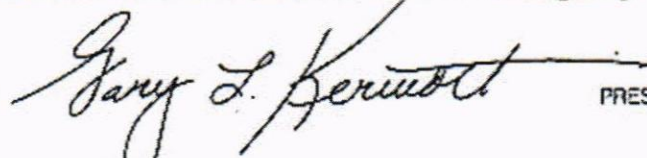
First American Title Insurance Company


SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, 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.

First American Title Insurance Company

BY  PRESIDENT

ATTEST  SECRETARY



SCHEDULE A

Premium: \$484.00

Amount of Insurance: \$160,000.00

Policy Number: NCS-182417-OR1

Date of Policy: August 26, 2005 at 10:18 AM

1. Name of insured:

City of Sherwood

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:

City of Sherwood

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

Real property in the City of Sherwood, County of Washington, State of Oregon, described as follows:

A parcel of land situated in the County of Washington and State of Oregon and further described as Lot 2, Block 11, Smock Addition to Sherwood, Washington County Oregon

Excepting therefrom a portion of Lot 2, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11, Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to most Southerly corner thereof; thence Northerly 47 degrees 45 minutes East, 4 feet; thence Northerly 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; thence Southwesterly 47 degrees 45 minutes West, 4 feet to the place of beginning.

And also a part of Lot 1, Block 11, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11 Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to the most Southerly corner thereof; thence North 47 degrees 45 minutes East, 4 feet; thence North 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; t.thence Southwesterly line of said Lot 1, 94 feet to the Northwesterly line of Lot 1; thence South 47 degrees 45 minutes West, 4 feet to the place 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:

PART ONE

SECTION ONE

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.
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, claims of easement or encumbrances which are not shown by the public records.
4. 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 public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. 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.

SECTION TWO

1. General and special taxes and assessments for the fiscal year 2005-2006, a lien not yet due or payable.
2. These premises are within the boundaries of the Clean Water Services District and are subject to the levies and assessments thereof.

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.
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.

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 any 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), 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.
- (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 an 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, an 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 an 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 an 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 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 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 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 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, 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 include the number of this policy and shall be addressed to the Company at 1 First American Way, Santa Ana, California 92707, or to the office which issued this policy.



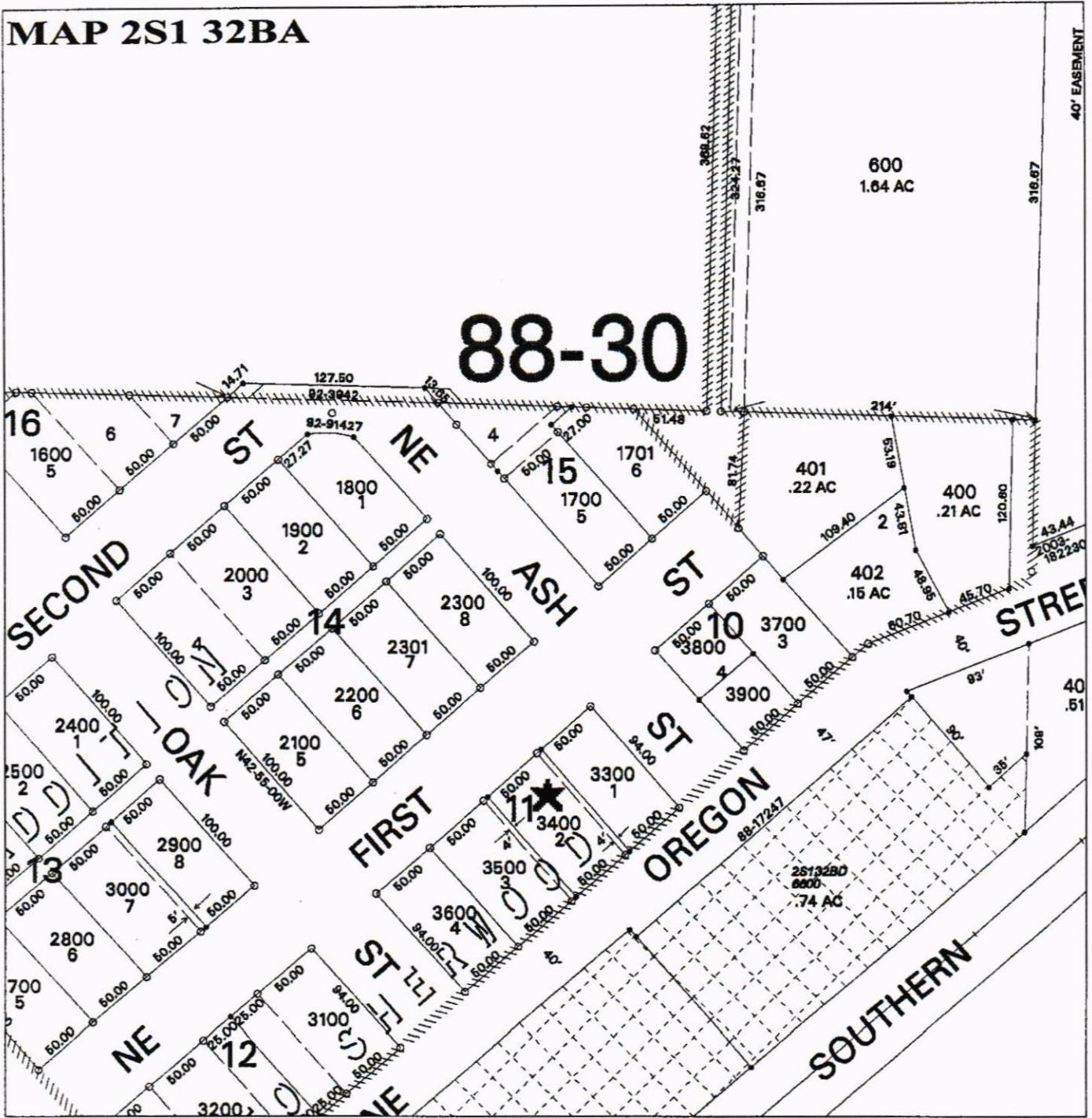
First American Title Insurance Company of Oregon

An assumed business name of TITLE INSURANCE COMPANY OF OREGON

This map is provided as a convenience in locating property
First American Title Insurance Company assumes no liability for any variations as may be disclosed by an actual survey

MAP 2S1 32BA

88-30





First American Title Insurance Company
National Commercial Services
 200 SW Market Street, Suite 250 • Portland, OR 97201

Buyer's Final Settlement Statement

Property: 265 NE 1st Street, Sherwood, OR
 Lot: ptn 1 & 2

File No: NCS-182417-OR1
Officer: Mavis Kimball/JAD
New Loan No:
Settlement Date: 08/26/2005
Disbursement Date: 08/26/2005
Print Date: 8/26/2005, 12:01 PM

Buyer: City of Sherwood
Address: Attn: Jim Patterson, 20 NW Washington Street, Sherwood, OR 97140
Seller: David D. Cross
Address: 17197 SW Smith Ave., #60, Sherwood, OR 97140

Charge Description	Buyer Charge	Buyer Credit
Consideration:		
Total Consideration	160,000.00	
Deposits in Escrow:		
Receipt No. 50315932 on 08/25/2005 by City of Sherwood		160,530.00
Subtotal:	\$160,530.00	
Adjustments:		
Security Deposit and fees		700.00
Subtotal:	-\$700.00	
Prorations:		
County Tax 07/01/05 to 08/26/05 @\$997.61/yr		153.06
Rents 08/26/05 to 09/01/05 @\$700.00/mo		135.48
Title/Escrow Charges to:		
Documentary Transfer Tax-County - First American Title Insurance Company National Commercial Services	80.00	
Closing-Escrow Fee - First American Title Insurance Company National Commercial Services	325.00	
Courier/Fax/Wire - First American Title Insurance Company National Commercial Services	50.00	
Record Warranty Deed 2005-103605 - First American Title Insurance Company National Commercial Services	52.00	
Subtotal:	\$507.00	
Cash (From) (X To) Borrower	1,011.54	
Totals	161,518.54	161,518.54

First American Title Insurance Company National
 Commercial Services

By Mavis Kimball
 Mavis Kimball

DATE: 08/26/2005

FILE NO. NCS-182417-OR1

SETTLEMENT DATE: 08/26/2005

CHECK AMOUNT: \$ 1,011.54

BUYER: City of Sherwood

SELLER: Cross

Property Address: 265 NE 1st Street, Sherwood, OR
Lot: ptn 1 & 2

Buyer Refund

Charge Details:



Thank you for doing business with First American Title Insurance Company National Commercial Services

ORIGINAL DOCUMENT IS PRINTED ON CHEMICAL REACTIVE PAPER & HAS A MICROPRINTED BORDER



First American Title Insurance Company
National Commercial Services
200 SW Market Street, Suite 250
Portland, OR 97201
(503) 795-7600

PR. NATLAC
Ofc. 5031

US Bank -
200 SW Morrison Street
Portland OR 97205

5031110732

24-22/1230

Date 08/26/2005

FILE NO. NCS-182417-OR1

PAY

*****\$1,011.54*****

DOLLARS

\$*****1,011.54

Re:

Void After 180 Days
Escrow Trust Account

TO THE
ORDER
OF
City of Sherwood
Attn: Jim Patterson
20 NW Washington Street
Sherwood, OR 97140

THE FACE OF THIS DOCUMENT INCLUDES A HIDDEN WORD - DO NOT CASH IF THE WORD VOID IS VISIBLE

5031110732



First American Title Insurance Company
National Commercial Services
 200 SW Market Street, Suite 250 • Portland, OR 97201

Buyer's Estimated Settlement Statement

Property: 265 NE 1st Street, Sherwood, OR
 Lot: ptn 1 & 2

File No: NCS-182417-ORI
Officer: Mavis Kimball/mk
New Loan No:
Settlement Date:
Disbursement Date: 08/26/2005
Print Date: 8/23/2005, 10:06 AM

Buyer: City of Sherwood
Address: Attn: Jim Patterson, 20 NW Washington Street, Sherwood, OR 97140
Seller: David D. Cross
Address: 17197 SW Smith Ave., #60, Sherwood, OR 97140

Charge Description	Buyer Charge	Buyer Credit
Consideration:		
Total Consideration	160,000.00	
Adjustments:		
Security Deposit and fees		700.00
Subtotal:	-\$700.00	
Prorations:		
County Tax 07/01/05 to 08/26/05 @\$997.61/yr		153.06
Rents 08/26/05 to 09/01/05 @\$700.00/mo		135.48
Title/Escrow Charges to:		
Documentary Transfer Tax-County - First American Title Insurance Company National Commercial Services	80.00	
Closing-Escrow Fee - First American Title Insurance Company National Commercial Services	325.00	
Courier/Fax/Wire - First American Title Insurance Company National Commercial Services	50.00	
Record Warranty Deed - First American Title Insurance Company National Commercial Services	75.00	
Subtotal:	\$530.00	
Cash (X From) (To) Borrower		159,541.46
Totals	160,530.00	160,530.00

Notice - This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of the Settlement Statement.

BUYER(S):

City of Sherwood


 By: Ross E. Schultz, City Manager

**SELLER'S CERTIFICATION UNDER
FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT ("FIRPTA")
(26 U.S.C. 1445)**

File No: **NCS-182417-OR1**

August 23, 2005

THIS SECTION FOR INDIVIDUAL TRANSFEROR:

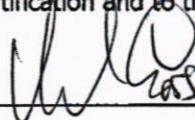
Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon my disposition of a U.S. real property interest, I, DAVID CROSS, hereby certify the following:

1. I am not a nonresident alien for purposes of U.S. Income taxation;
2. My U.S. taxpayer identification number (Social Security Number) is 542 42 6353;
3. My home address is PO Box 237 17197 SW SMITH AVE #60 SHERWOOD OR 97140.

I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete.

8-24-05
Date


Signature

DAVID CROSS
Typed or Printed Name

THIS SECTION FOR ENTITY TRANSFEROR:

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____ [name of transferor] ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);;
3. Transferor's U.S. employer identification number is _____;
4. Transferor's office address is _____;

Transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Date

Signature

Typed or Printed Name



First American Title Insurance Company

National Commercial Services
200 SW Market Street, Suite 250
Portland, OR 97201

**ESCROW AGREEMENT
(SALE)**

Escrow No. NCS-182417-OR1
Seller: David D. Cross
Buyer: City of Sherwood
Property Address: 265 NE 1st Street,
Sherwood, OR

TRANSACTION INSTRUCTIONS

To First American Title Insurance Co. hereinafter "Escrow Agent"

Property Description: As set forth in Preliminary Title Report issued by First American Title Insurance Co. Order No.182417, dated July 29, 2005, a copy of which has been **read and approved by Seller and Buyer.**

SELLER deposits with Escrow Agent, pursuant to these instructions, the following:

1. Fully executed warranty deed in favor of the buyer

And authorizes delivery, release, and recording of documents when you hold for the account of the Seller the sum of \$160,000.00 as shown on the attached Estimated Closing Statement, and, further authorizes credits and deductions as set forth on the attached Estimated Closing Statement.

BUYER deposits with Escrow Agent, pursuant to these instruction, the following:

1. The sum of \$160,000.00

And authorizes delivery, release and recording of documents when you are prepared to:

1. Issue an Owner's Title Insurance Policy (ALTA 1992) in standard form in the amount of the sales price insuring purchaser as the owner of that certain real property described above, subject to exclusions, conditions and stipulations as contained in the policy and special exceptions #1 and 3 as appear on the preliminary title report above.

And, further authorizes a) recording of the documents and credits and deductions as set forth on the attached Estimated Closing Statement.

AUTHORIZATIONS

COUNTERPARTS: These instructions may be signed in counterparts. Escrow Agent may consider, upon receipt, all duly executed counterparts to be a single instruction.

FAX: Escrow Agent is authorized to complete all necessary actions set forth herein upon receipt of a signed facsimile (FAX) of these instructions without receipt of original signed instructions.

ELECTRONIC TRANSFER: Escrow Agent may, in its discretion, receive and/or disburse any funds in connection with this agreement by electronic (wire) transfer. If required by any of the parties to utilize this method of transfer, the requesting party agrees to pay any reasonable fee as assessed by Escrow Agent for this service.

DEPOSITS: All checks, money orders or drafts will be processed for collection in the normal course of business. All funds required to close must be payable to First American Title Insurance Co. and must be **collected funds**, as required by Federal and State of Oregon statutes and regulations prior to the Escrow Agent's disbursement of any sums. Escrow Agent may commingle funds received by it with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association or other financial services entity. It is understood that Escrow Agent, except by virtue of separate signed instructions as required by State of Oregon regulation, shall be under no obligation to invest the funds deposited on behalf of any depositor, nor shall it be accountable for any earnings or incidental benefit attributable to the funds which may be received by Escrow Agent while it holds such funds.

The undersigned are hereby informed that Escrow Agent deposits all funds into a non-interest bearing account and receives or may receive certain credits and benefits including, without limitation, checks, deposit slips, data processing and account services from or through various financial entities as a result of the banking relationships maintained in the regular course of its escrow and title insurance business. The undersigned hereby waive any and all rights or claims with respect to such credits and benefits received by the Escrow Agent or any affiliates thereof. A good faith estimate of the benefits received by Escrow Agent is \$30.00 per escrow transaction. This disclosure is made in compliance with Oregon Administrative Rule 863-50-065.

Any funds remaining on deposit after closing or refunds received by Escrow Agent will be refunded to the party whose account was charged. No further instructions will be required by any party prior to the disbursement of any such refund by Escrow Agent.

Escrow Agent will retain any excess funds after disbursement as part of the closing of this transaction. Escrow Agent will charge an accounting fee for each month such funds are held after one (1) month, in the event the person(s) entitled to such funds cannot, after reasonable and diligent effort, be found. Escrow Agent may charge a reasonable fee for replacement and/or stale dated checks.

COPIES: The undersigned authorize distribution of these escrow instructions and/or estimated or final closing statements prepared on my behalf to any designee, real estate broker/agent or lender identified in this transaction.

CLOSING: Closing is defined, for purposes of this agreement, as the time of the recording of all documents as required by the parties herein. Escrow Agent shall be entitled to payment of all fees charged for services provided at the time of closing. Any funds held for satisfaction/release of liens and encumbrances or to meet other conditions of this escrow may be transferred from this escrow account to an appropriate department or escrow for subsequent processing.

AGREEMENTS

ARBITRATION: Except as noted below, if any dispute or claim arises out of or relates to this escrow agreement, or to the interpretation or breach thereof, Escrow Agent may, at its election; a) hold all matters in its existing status pending resolution of such dispute or; b) it shall be resolved by arbitration in accordance with the then effective rules of the Arbitration Service of Portland, Inc. or the American Arbitration Association, which ever is selected by the party which first initiates arbitration, and any judgment rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

INTERPLEADER: Escrow Agent shall have the option of interpleading funds in the Circuit Court of Oregon, including the Small Claims division of the same, as may be appropriate, in the event of a dispute regarding the disposition of any funds held by Escrow Agent.

ATTORNEY FEES: In the event suit or action is brought, or an arbitration proceeding is initiated, to enforce or interpret any of the provisions of this agreement, or which is based thereon, the prevailing party shall be entitled to reasonable attorney's fees in connection herewith. The determination of who are the prevailing party and the amount of reasonable attorney fees shall be decided by the arbitrator(s) or by the court as may be appropriate.

LIMITED POWER OF ATTORNEY: The undersigned hereby grant Escrow Agent Limited Power of Attorney to correct and initial all typographical or clerical errors discovered in any or all of the closing documentation required to be executed by any of the parties hereto. In the event Escrow Agent exercises this Limited Power of Attorney, a copy of the Document(s) corrected and/or initialed will be sent to the affected party.

EXCLUSIONS

COMPLIANCE WITH VARIOUS LAWS OR STATUTES: Escrow Agent has no liability or responsibility with respect to any matters connected with the following (unless expressly authorized herein or by separate written instructions acknowledged by Escrow Agent);

1. Compliance with the requirements of the Consumer Credit Protection Act or Interstate Land Sales Act, or similar laws;
2. Compliance with the requirements of the Oregon Revised Statutes 537.330 (relating to water rights), 537.788 (relating to well information), 448.271 (relating to well testing) and any similar laws;
3. Compliance with Oregon Laws 2001 Chapter 311 (relating to cautionary notice or other information as applicable regarding potential construction liens)
4. Compliance with the obligation to disclose the existence of lead based paint as required by federal regulation 24 CFR Part 35 and 40 CFR Part 35 et seq and any other related statute or regulation;
5. Compliance with, collection, withholding, reporting or payment of any amounts due under Section 1445 and 6039C of the Internal Revenue Code, as amended, regulations adopted there under, and any other related statute or regulation (Foreign Investment in Real Property Tax Act, commonly referred to as FIRPTA). Notwithstanding the fact Escrow Agent assumes no liability or responsibility to the parties for compliance with FIRPTA, Escrow Agent reserves the right to take any action required by such law and/or regulation without further instructions of the parties.

REPRESENTATIONS

UTILITIES: The undersigned acknowledge that water, sewer, waste collection, electricity, and other utility charges and inventory for fuel, including any final billings will be adjusted outside this escrow by the respective parties and Escrow Agent shall have no obligation or responsibility for such adjustment.

DOCUMENTS: The undersigned acknowledge that they have and shall have a continuing obligation to cooperate with Escrow Agent in good faith to enable Escrow Agent to fulfill its responsibilities under this agreement. Such obligations shall survive the closing of the transaction described herein and shall include, without limitation, the obligation to; a) disclose to Escrow Agent any liens, encumbrances or any other rights, claims or matters known to the parties which affect or relate to the property and transaction referred to in this agreement, and b) return to Escrow Agent for proper disposition any fund, documents or other property which are, for any reason, improperly or mistakenly released to any persons.

PRACTICE OF LAW/ADVICE: The undersigned acknowledge that Escrow Agent is not licensed to practice law and that Escrow Agent's duties and obligations under this agreement are limited to those of an escrow holder. The undersigned have not been referred to a any named attorney(s) or discouraged from seeking the advice of an attorney but have been requested to seek legal counsel of their own choosing, at their own expense, if they have any doubts or questions concerning any aspect of this transaction.

OTHER OBLIGATIONS: The undersigned acknowledge that, to the extent other obligations exist between them as a result of this transaction that are not specifically set forth herein, they are individually responsible for the execution thereof and Escrow Agent is only obligated for matters specifically set forth in this agreement.

REVIEW: The undersigned acknowledge that they have been afforded adequate time and opportunity to read and understand the escrow instructions and all other documents referred to herein.

YOU WILL BE REVIEWING, APPROVING AND SIGNING IMPORTANT DOCUMENTS AT CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE DOCUMENTS. THESE CONSEQUENCES AFFECT YOUR RIGHTS AND OBLIGATIONS. YOU MAY CONSULT AN ATTORNEY ABOUT THESE DOCUMENTS. YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE TRANSACTION OR ABOUT THE DOCUMENTS. IF YOU WISH TO REVIEW TRANSACTION DOCUMENTS THAT YOU HAVE NOT YET SEEN, PLEASE CONTACT THE ESCROW AGENT.

IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE ESCROW INSTRUCTIONS OR THOSE ESCROW INSTRUCTIONS WHICH ARE ATTACHED HERETO THAT SUCH INSTRUCTIONS CONSTITUTE THE WHOLE AGREEMENT BETWEEN THIS FIRM AS AN ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL THE TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.

Dated August 23, 2005

David D. Cross

City of Sherwood



By: Ross E. Schultz, City Manager

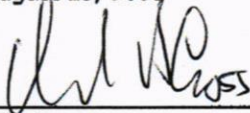
ACCEPTED: First American Title Insurance Co.

By: Escrow Officer

YOU WILL BE REVIEWING, APPROVING AND SIGNING IMPORTANT DOCUMENTS AT CLOSING. LEGAL CONSEQUENCES FOLLOW FROM THE SELECTION AND USE OF THESE DOCUMENTS. THESE CONSEQUENCES AFFECT YOUR RIGHTS AND OBLIGATIONS. YOU MAY CONSULT AN ATTORNEY ABOUT THESE DOCUMENTS. YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE QUESTIONS OR CONCERNS ABOUT THE TRANSACTION OR ABOUT THE DOCUMENTS. IF YOU WISH TO REVIEW TRANSACTION DOCUMENTS THAT YOU HAVE NOT YET SEEN, PLEASE CONTACT THE ESCROW AGENT.

IT IS UNDERSTOOD BY THE PARTIES SIGNING THE ABOVE ESCROW INSTRUCTIONS OR THOSE ESCROW INSTRUCTIONS WHICH ARE ATTACHED HERETO THAT SUCH INSTRUCTIONS CONSTITUTE THE WHOLE AGREEMENT BETWEEN THIS FIRM AS AN ESCROW AGENT AND YOU AS A PRINCIPAL TO THE ESCROW TRANSACTION. THESE INSTRUCTIONS MAY NOT INCLUDE ALL THE TERMS OF THE AGREEMENT WHICH IS THE SUBJECT OF THIS ESCROW. READ THESE INSTRUCTIONS CAREFULLY AND DO NOT SIGN THEM UNLESS THEY ARE ACCEPTABLE TO YOU.

Dated August 23, 2005



David D. Cross

City of Sherwood

proceeds to
US Bank
153602250299

By: Ross E. Schultz, City Manager

ACCEPTED: First American Title Insurance Co.

By: Escrow Officer



After recording return to:
City of Sherwood
Attn: Jim Patterson, 20 NW
Washington Street
Sherwood, OR 97140

Until a change is requested all tax statements
shall be sent to the following address:
City of Sherwood
20 NW Washington Street
Sherwood, OR 97140

File No.: NCS-182417-OR1 (mk)
Date: August 23, 2005

THIS SPACE RESERVED FOR RECORDER'S USE

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL RECORDED

ON 8-26-05

IN/AS 2005-103605

FIRST AMERICAN TITLE INSURANCE
COMPANY, Escrow Department

By JAD

STATUTORY WARRANTY DEED

David D. Cross, Grantor, conveys and warrants to **City of Sherwood**, Grantee, the following described real property free of liens and encumbrances, except as specifically set forth herein:

A parcel of land situated in the County of Washington and State of Oregon and further described as Lot 2, Block 11, Smock Addition to Sherwood, Washington County Oregon

Excepting therefrom a portion of Lot 2, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11, Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to most Southerly corner thereof; thence Northerly 47 degrees 45 minutes East, 4 feet; thence Northerly 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; thence Southwesterly 47 degrees 45 minutes West, 4 feet to the place of beginning.

And also a part of Lot 1, Block 11, described as follows:

Beginning at the most Westerly corner of Lot 2, Block 11 Smock's Addition to Sherwood, Washington, Oregon, thence South 42 degrees 55 minutes East along the Southwesterly line of said Lot 2, 94 feet to the most Southerly corner thereof; thence North 47 degrees 45 minutes East, 4 feet; thence North 42 degrees 55 minutes West parallel with the Southwesterly line of said Lot 2, 94 feet to the Northwesterly line of Lot 2; thence Southwesterly line of said Lot 1, 94 feet to the Northwesterly line of Lot 1; thence South 47 degrees 45 minutes West, 4 feet to the place of beginning.

This property is free from liens and encumbrances, EXCEPT:

1. The **2005-2006** Taxes, a lien not yet payable.
2. Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

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 true consideration for this conveyance is **\$160,000.00**. (Here comply with requirements of ORS 93.030)

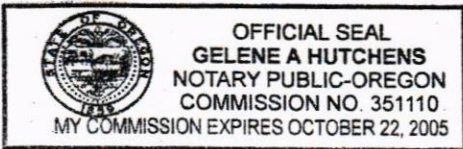
Dated this 24 day of AUGUST, 2005.

David D. Cross
David D. Cross

STATE OF Oregon)
County of WASHINGTON)ss.

This instrument was acknowledged before me on this 24th day of August, 2005 by **David D. Cross**.

Geleane A Hutchens
Notary Public for Oregon
My commission expires:



APN: R0554572

Statutory Warranty Deed
- continued

File No.: NCS-182417-OR1 (mk)
Date: 08/23/2005

Accepted and Approved by Grantee
City of Sherwood
BY: Ross E. Schultz
Ross E. Schultz, City Manager

STATE OF Oregon)
County of Washington)ss.
)

This instrument was acknowledged before me on this 23 day of August, 2005
by Ross E. Schultz, City Manager of City of Sherwood, on behalf of the city.

Sylvia Murphy

Notary Public for Oregon
My commission expires:





First American Title Insurance Company

National Commercial Services

200 SW Market Street

Suite 250

Portland, Oregon 97201

Via Courier

City of Sherwood
Attn: Jim Patterson
20 NW Washington Street
Sherwood, OR 97140

August 26, 2005
File Number: NCS-182417-OR1

Re:

Enclosed please find the final documentation on the above referenced transaction:

- Final Settlement Statement for the buyer
- Estimated Settlement Statement for the buyer
- Escrow Instructions
- FIRPTA
- Conformed Copy of the Recorded Deed
- A check in the amount of \$1,011.54

Thank you for the opportunity to close this transaction. We look forward to working with you again in the near future.

Sincerely,

First American Title Insurance Company

Jennifer Doty, Escrow Assistant to,
Mavis Kimball, Escrow Officer
Direct: 503-795-7644
Email: jdoty@firstam.com

MK/jad

enc.