



320 Church Street NE
P.O. Box 652
Salem, OR 97308-0652
503-581-1431 FAX 364-8716

State of Oregon Administration Services
c/o Facilities Department
1225 Ferry St. Se, U100
Salem, OR 97301
Attn: Greg Parker

April 6, 2005
Report #1
Escrow Number :
Escrow Officer:
Title Number : 0706608
Title Officer : TOM JEWETT
Your Reference: --

PRELIMINARY TITLE REPORT FOR:

<u>Policy or Policies to be issued:</u>	<u>Liability</u>	<u>Premium</u>
OWNER'S STANDARD COVERAGE	(to be determined)	(to follow)
GOVERNMENT LIEN SERVICES		\$40.00

We are prepared to issue title insurance policy(ies) of **TRANSNATION TITLE INSURANCE COMPANY**, in the form and amounts above, insuring the title to the land described as follows:

See Exhibit "A"

and dated as of April 1, 2005 at 8:00 A.M. , title is vested in:

State of Oregon, by and through the Oregon Department of Corrections

The estate or interest in the land described or referred to in this Commitment and covered herein is:

Fee Simple

"Superior Service with Commitment and Respect for Customers and Employees"

The policy shall be issued subject to the usual printed conditions, stipulations and exclusions from coverage appearing in such policy form and the following:

General Exceptions

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 record or proceedings by a public agency which may result in taxes or assessments or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the public records, reservations or exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.

Special Exceptions

6. Taxes paid as follows:
Year : 2004-05 Amount: \$365.00
Exemption : State Owned
If the exempt status is terminated under the statute prior to the date on which the assessment roll becomes the tax roll in the year in which said taxes were assessed, an additional tax may be levied.
Map No. 08S-02W-05, Tax Lot 1900, Account No. R327904.
7. Taxes paid as follows:
Year : 2004-05 Amount: \$400.65
Exemption : State Owned
If the exempt status is terminated under the statute prior to the date on which the assessment roll becomes the tax roll in the year in which said taxes were assessed, an additional tax may be levied.
Map No. 08S-02W-05, Tax Lot 2000, Account No. R327905.
8. As disclosed by the assessment and tax roll, the premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land.
9. City liens, if any, of the City of Salem. (None as of April 1, 2005)
10. Regulations, including levies, liens, assessments, rights of way and easements of the Santiam Water Control District.
11. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.

NOTE: Real Property taxes for the year 2004-05, PAID IN FULL
Amount : \$400.65
Map and Tax Lot No.: 08S-02W-05 2000
Account No. : R327905

NOTE: Real Property taxes for the year 2004-05, PAID IN FULL
Amount : \$365.45
Map and Tax Lot No.: 08S-02W-05 1900
Account No. : R327904

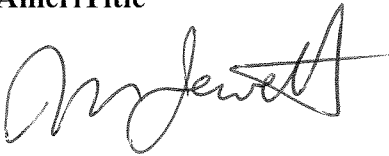
NOTE: No liability is assumed if a financing statement is filed in the office of the County Clerk or Secretary of State covering growing crops or fixtures wherein the lands are described other than by metes and bounds, the rectangular survey system or by recorded lot and block.

NOTE: This report does not include a search for financing statements filed in the office of the Secretary of State covering crops on the land described herein, and is subject to any encumbrances on such crops. (For possible removal of this exception, the insuring company must be contacted as to what information it will require to enable it to make a search for such encumbrances on crops.)

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

Yours truly,

AmeriTitle



Tom Jewett
Senior Title Officer

"Superior Service with Commitment and Respect for Customers and Employees"

Copies of this report have been sent to the following:

State of Oregon Administration Services
c/o Facilities Department
1225 Ferry St. Se, U100
Salem, OR 97301
Attn: Greg Parker

BUYER/BORROWER and/or SELLER
C/O ESCROW DEPARTMENT

Exhibit "A"

A tract of land located in Section 5, Township 8 South, Range 2 West, Willamette Meridian, Marion County, Oregon, described as follows:

Commencing at a point that bears North, 8,614.65 feet and East, 1,355.13 feet from the Northwest corner of the J. Herren D.L.C. No. 60, said Point of Commencement being on the Southwesterly line of the Aumsville Highway (Salem-Turner Market Road No. 27); thence leaving said Southwesterly line, North 47°32'32" East 60.00 feet to a point on the Northeasterly line of Lancaster Drive SE and the true point of beginning of the herein described tract; thence tracing said Northeasterly line along the following courses: North 47°32'32" East, 12.00 feet; North 42°27'27" West 214.41 feet; North 47°20'55" West 137.43 feet; North 42°27'07" West, 307.11 feet to the Easterly line of Kuebler Boulevard; thence tracing said Easterly line along the following courses: North 19°56'52" East 477.38 feet to the point of curve right of nontangent parallel spiral curve; along said parallel spiral curve right, 154.64 feet (chord bears North 28°58'06" East, 154.58 feet) to the point of curve right of a 1,447.89 foot radius curve; along the arc of said curve through a central angle of 05°53'01", 148.68 feet (chord bears North 34°44'15" East 148.61 feet) to the point of curve right of parallel spiral curve; along said parallel spiral curve right, 730.37 feet (chord bears North 47°07'11" East 728.43 feet); North 51°44'30" East 330.31 feet to the point of curve left of a 6,955.50 foot radius curve; along the arc of said curve left through a central angle of 04°10'18", 506.43 feet (chord bears North 49°39'21" East, 506.31 feet); North 51°31'52" East 407.73 feet to a point on the Southerly line of the North Santiam Highway (Highway No. 22) thence tracing said Southerly line along the following courses: South 74°38'30" East, 131.84 feet; North 82°58'21" East, 236.23 feet; South 05°08'35" East, 99.20 feet; thence North 84°09'38" East, 116.57 feet; North 04°19'40" West, 101.67 feet; North 82°54'01" East, 58.99 feet; South 80°59'02" East, 468.56 feet; South 64°54'37" East, 499.83 feet; South 25°05'23" West, 10.00 feet; South 64°53'26" East, 14.10 feet; thence leaving said Southerly line, South 01°02'19" East, 1,011.41 feet; thence South 47°27'41" West 2,902.10 feet to a point on the Northeasterly line of the said Aumsville Highway; thence tracing said Northeasterly line, North 42°27'46" West, 1,063.12 feet to the true point of beginning.

Field BH 11/2004
 KVC 11/15/2004
 Calculations KVC 11/05/2004
 Drawn JAC 11/2004
 Checked

REGISTERED PROFESSIONAL LAND SURVEYOR
 OREGON
 JAY W. BIRD
 KENNETH COCHRAN
 KENNEL 0045
 RENEWAL: 12-31-05

Oregon Department of Administrative Services
 1225 Ferry St. SE, U100
 Salem Oregon 97301
 (503)-635-3618

PROPERTY LINE ADJUSTMENT SURVEY

MILL CREEK DISTRICT

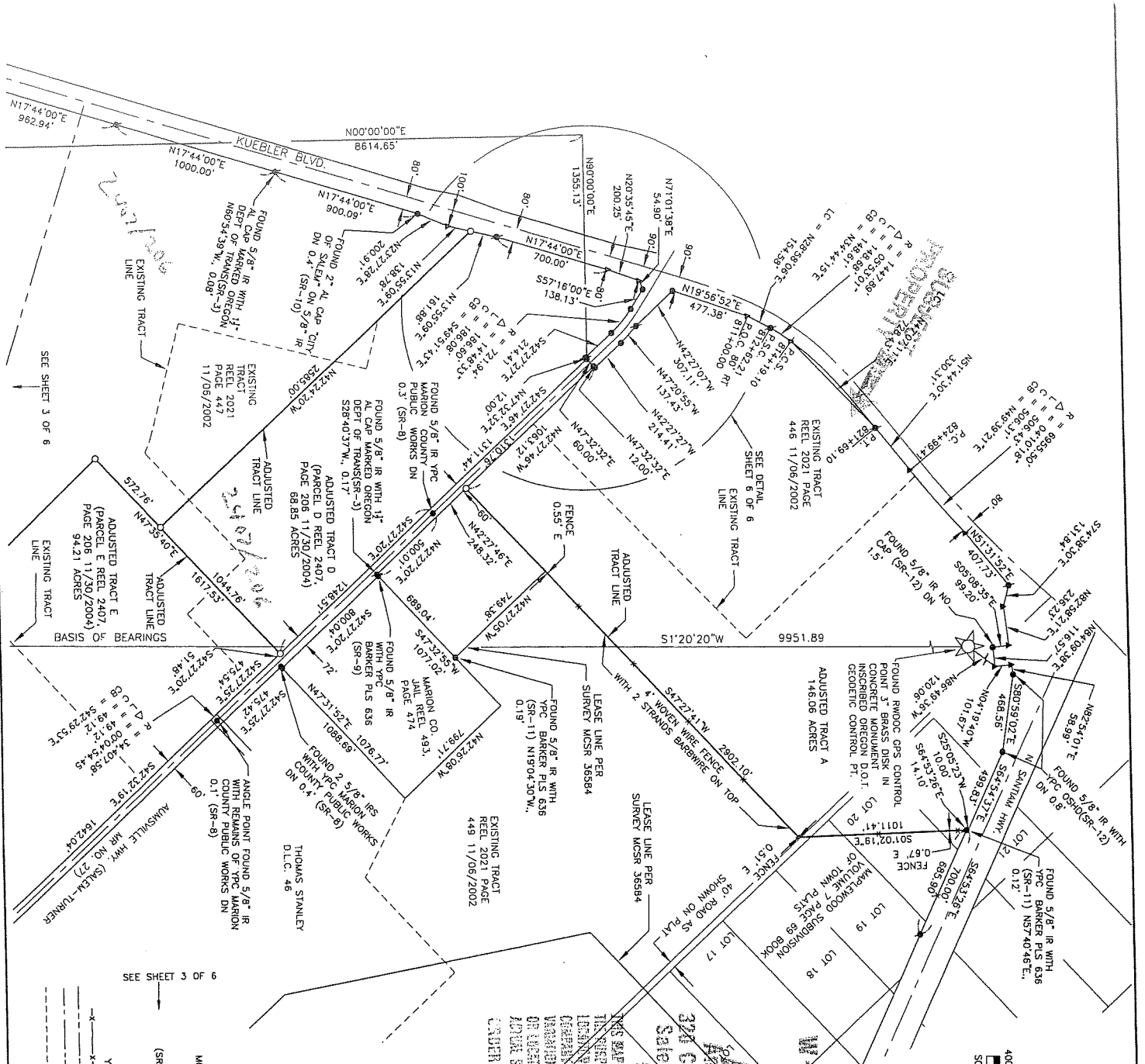
LOCATED S 1/2 OF SECTION 5, SE 1/4 OF SECTION 6, NW 1/4, NE 1/4, SE 1/4, AND NE 1/4 OF THE SW 1/4 OF SECTION 7, ALL OF SECTION 8, NW 1/4, NE 1/4 AND SW 1/4 OF SECTION 17, NW 1/4, NE 1/4, AND SE 1/4 OF SECTION 18, NE 1/4 OF SECTION 19 AND NW 1/4 OF SECTION 20 OF T. 8 S., R. 2 W., W.M. CITY OF SALEM, MARION COUNTY, OREGON

THIS MAP IS PREPARED SOLELY FOR THE PURPOSE OF ASSISTING IN THE LOCATION OF THE PROPERTY. THE OPERATOR ASSUMES NO LIABILITY FOR NEGLIGENCE IF ANY IN DIMENSIONS OR CONDITIONS ASCERTAINED BY AN ADVERSE SURVEY.
 ORDER NO. 076607



LEGEND:

- = 5/8" x 30" IRON ROD WITH YELLOW PLASTIC CAP MARKED "OTAK, INC." SET
- = MONUMENTS FOUND EXCEPT AS NOTED
- ▲ = FOUND 5/8" IRON ROD WITH 1" ALUMINUM CAP STAMPED OREGON DEPT OF TRANS (SR-3)
- △ = 5/8" IRON ROD WITH 1" ALUMINUM CAP STAMPED OREGON DEPT OF TRANS LOCATION PER MANS 35280
- N = NORTH
- S = SOUTH
- E = EAST
- W = WEST
- MR = MARKET ROAD
- MC SR = COUNTY SURVEY NUMBER, MARION COUNTY SURVEY RECORDS
- LC = LONG CHORD
- DN = DOWN (DEPTH BELOW SURFACE)
- AL = ALUMINUM
- YPC = YELLOW PLASTIC CAP
- D.L.C. = D.L.C. LINE
- = CENTERLINE OF HIGHWAY OR ROAD
- - - = EXISTING TRACT LINE



OTAK Incorporated
 17355 SW Boness Ferry Rd.
 Lake Oswego, Oregon 97035
 Phone: (503) 635-3618
 FAX: (503) 635-5965

Project No. 12794
 File No. S794R160
 Sheet No. 2 OF 6