

WARRANTY

DEED TO TRUSTEE

THIS INDENTURE WITNESSETH, that the Grantor, Richard S. O'Connor who is a () single (X) married () man () woman whose address is 204 Hillside Avenue, City of Klamath, County of Klamath, State of Oregon for and in consideration of Equitable Exchange and other good and valuable consideration, receipt of which is hereby acknowledged, grants bargains, sells allens, remises, releases, conveys and warrants under provision of section 55-17.1 Virginia Statutes unto that certain Trust which was formed under a Declaration of Trust dated June 22, 1998 and which is known as Save the Klamath Pelican Preservation Trust Trust, Trust # 560105402, Trustee Capitol Industries Inc. a Nevada corporation whose address is _____

the following described land together with the improvements appurtenant thereto in the County of Klamath, State of Oregon, to wit:

Lot 9, Block 48, HILLSIDE ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.
Code 1, Map 3809-28CD Tax Lot 4900

Trustee shall take title subject to any liens, encumbrances, restrictions, easements, leases, options, and covenants of record and **NOT PERSONALLY**. TO HAVE AND TO HOLD the said property in fee simple title or as otherwise indicated upon the trusts and for the uses and purposes herein and in said trust agreement set forth, and the Grantor hereof covenants with the Grantee that he is lawfully seized of the said premises, that they are and clear of encumbrances except as noted herein, and that he has good right and lawful authority to sell the same; and does fully warrant the title to said land, and will defend the same against the lawful claims of all persons whomsoever.

Full power and authority is hereby granted to said trustee to improve, subdivide, protect, conserve, sell, lease, encumber and otherwise manage and dispose of said property or any part thereof, and to resubdivide said property as often as desired, to contract to sell, to grant options to purchase, to sell on any terms, to convey either with or without consideration, to convey said property or any part thereof to a successor or successors in trust and to grant to such successor or successors in trust all of the title, estate, powers and authorities vested in said trustee, to donate, to dedicated, to mortgage, pledge or otherwise encumber said property, or any part thereof, to lease said property or any part thereof, from time, in possession or reversion, by leases to commence in present or future and upon any terms and for any period of time, not exceeding in the case of any single demise the term of 99 years, and renew or extend leases upon any terms and for any periods of time and to amend, change or modify leases and the terms or provisions thereof at any time or times hereafter, to make leases and to grant options to lease and options to renew leases and options to purchases the whole or in any part of the reversion and do contract respecting the manner of fixing the amount of present or future rentals, to partition or to exchange said property, or any part thereof, for other real or personal property, to submit said property to condominium, to grant easements or changes of any kind, to lease, convey or assign any right, title or interest in or about or easement appurtenant to said premises or any part thereof, and to deal with said property and every part thereof in all other ways and for such

other considerations as it would be lawful for any person owning the same to deal with the same, whether similar to or different from the ways above specified, at any time or times hereafter.

Any contract, obligation or indebtedness incurred or entered into by the Trustee in connection with said property shall be as Trustee of an express trust and not individually and the Trustee shall have no obligation whatsoever with respect to any contract, obligation or indebtedness except only so far as the trust property in the actual possession of the Trustee shall be applicable for the payment and discharge thereof; and it shall be expressly understood that any representations, warranties, covenants, undertakings and agreements herein-after made on the part of the Trustee, while in form purporting to be the representations, warranties, covenants, undertakings and agreements by the Trustee, are nevertheless made and intended not a personal representations, warranties, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally, but are made and intended for the purpose of binding only the trust property specifically described herein, and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the trustee individually or on account of any instrument executed by or on account of any representation, warranty, covenant, undertaking or agreement of the said Trustee, either expressed or implied; All such personal liability, if any, being expressly waived and released and all persons, corporations and other legal entities whomsoever and whatsoever shall be charged with notice of this condition from the date of the filing for record of this Deed.

In no case shall any party dealing with said trustee in relation to said property, or to whom said property or any part thereof shall be conveyed, contracted to be sold, leased or mortgaged by said Trustee, be obliged to see to the application of any purchase money, rent or money borrowed or advanced on said property, or be obliged to see that the terms of this trust have been complied with, or be obliged to inquire into the necessity or expediency of any act of said Trustee, or be obliged or privileged to inquire into any of the terms of said trust agreement, or every deed, trust deed, mortgage, lease or other instrument executed by said Trustee in relation to said property shall be conclusive evidence in favor of every person relying upon or claiming under any such conveyance, lease or other instrument (a) that at the time of the delivery thereof the trust created by this indenture and by said trust agreement was in full force and effect, (b) that such conveyance or other instrument was binding upon all beneficiaries thereunder, (c) that the Trustee was duly authorized and empowered to execute and deliver every such deed, trust deed, lease, mortgage or other instrument, and (d) if the conveyance is made to a successor or successors in trust, that such are fully vested with all the title estate, rights, powers, authorities, duties and obligations of its, his or their predecessor in trust.

The interest of each beneficiary under the trust agreement hereunder and of all persons claiming under them or any of them shall be only in the possession, earnings, avails and proceeds arising from the sale or other disposition of said property, and such interest is hereby declared to be Personal Property, and no beneficiary hereunder shall have any title or interest, legal or equitable, in or to said property as such, but only an interest in the possession, earnings, avails and proceeds thereof as aforesaid. The situs of the domicile of the Beneficiary shall be the governing jurisdiction for any legal action undertaken pursuant to the interest of any Beneficiary hereunder. The power(s) of Direction over the actions of the Trustee shall be held by said Beneficiary unless otherwise granted herein to Original Director: J. E. Batzer

Successor Director: _____

Alternate Successor Director: _____

The initial trustee holding title to the aforesaid property for the afore named trust under the terms of the aforesaid trust shall be the situs of the domicile of the Trustee and any successor Trustee who shall henceforth act in that capacity. The said situs of the Trust shall be the governing jurisdiction for any legal action undertaken pursuant to the assets of the aforesaid trust. In the event of the said Trustee's death, incapacity, disappearance, bankruptcy, resignation or unwillingness to act in accordance with directions given by the party or parties holding the power of direction under the terms of said trust agreement; the filing of a death

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certificate or notice of dismissal of the initial Trustee or of any successor Trustee hereafter named in Public Records of the county in which any trust property is held, along with an Affidavit attesting to the appointment or acceptance by any of the following successor Trustees, without regard to the order in which listed, shall be effective to vest title to said successor Trustee or Trustees.

It shall be attested and agreed to by the Trustee that shall any lawsuit be filed upon said Trustee, whether personally or as Trustee, they will immediately sign an affidavit resigning all powers herein stated and conveying said property to one of the following named successor Trustees or be subject to a \$5,000.00 monetary fine.

Upon resignation stated above, all records pertaining to the trust will be sent to the designated trustee. The only record of the trust to be retained will be a letter accepting resignation, the Trustee(s) will not reveal any facts concerning this trust or its beneficiary(s) except under subpoena, powers of the court of competent jurisdiction.

SUCCESSOR AND ALTERNATE SUCCESSOR TRUSTEES:

J.E. Batzer, R.L. Peterson, Betty Helsby,
 _____,

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand and seal this 24th day of June, 1998.

Signed, sealed and delivered in our presence:

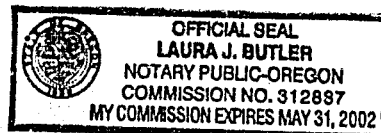
WITNESSES:

_____, Richard S. O'Connor
 Grantor

STATE OF Oregon, COUNTY OF Klamath,

This instrument was acknowledged before me by Richard S. O'Connor, Grantor who, being first sworn, affirmed that he executed the foregoing for the purpose contained therein on this 24th day of June, 1998.

Raf Butler



NOTARY PUBLIC

After recording, this instrument should be returned to Aspen Title & Escrow Inc., Trustco

at 525 Main Street, Klamath Falls, Oregon 97601 ATTN: Laurie J. Butler

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 24th day of June, A.D., 19 98 at 3:38 o'clock P.M., and duly recorded in Vol. M98 of Deeds on Page 22155.

FEE \$40.00

By Bernetha G. Letsch, County Clerk