

**WARRANTY DEED**

ROBERT B. WATTS and SALLY S. WATTS, husband and wife, hereinafter called Grantors, convey and warrant to Sally S. Watts, Trustee of the SALLY S. WATTS TRUST, UDOT June 26, 2000, hereinafter called Grantee, that certain real property situated in the County of Klamath State of Oregon, described as follows to-wit:

- ✓ Lot 302 of RUNNING Y RESORT, PHASE 4, recorded September 24, 1997 in Klamath County, Oregon.

SUBJECT TO: Non-delinquent real property taxes and assessments for the current fiscal year and all later years; and to all covenants, conditions, restrictions, reservations, exceptions, limitations, uses, rights, rights-of-way, easements and other matters of record on the date hereof, including, without limitation, the Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Running Y Ranch Resort recorded August 2, 1996, and the Declaration Annexing Phase 4 of Eagles Landing to The Running Y Ranch Resort recorded October 17, 1997, all of which are hereby incorporated by reference into the body of this instrument as if the same were fully set forth herein.

There is no consideration for this conveyance, the conveyance being a transfer for estate planning purposes.

TO HAVE AND TO HOLD the same unto the said Grantee and Grantee's heirs, successors and assigns forever.

And Grantors hereby covenant to and with Grantee and his heirs and assigns, that Grantors are lawfully seized in fee simple of the above granted premises, free from all encumbrances, except those of record, and that Grantors will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

The liabilities and obligations of the Grantors to Grantee and Grantee's heirs and assigns under the warranties and covenants contained herein or provided by law shall be limited to the extent of coverage that would be available to Grantors under a standard policy of title insurance. The limitations contained herein expressly do not relieve Grantors of any liabilities or obligations under this instrument, but merely define the scope, nature and amount of such liabilities or obligations.

**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.**

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After recording return to:

Sally S. Watts, Trustee  
2230 Brownsboro Highway  
Eagle Point, OR 97524

Send tax statements to:

Sally S. Watts, Trustee  
2230 Brownsboro Highway  
Eagle Point, OR 97524

DATED this 8<sup>th</sup> day of December, 2000.

Robert B. Watts  
Robert B. Watts

Sally S. Watts  
Sally S. Watts

STATE OF OREGON           )  
  ) ss.  
County of Jackson        )

This instrument was acknowledged before me on December 8, 2000 by ROBERT B. WATTS and SALLY S. WATTS, husband and wife.

Before me:



Kathy Neet  
Notary Public for Oregon  
My commission expires: 3-21-03

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State of Oregon, County of Klamath  
Recorded 12/14/00, at 8:51 a. m.  
In Vol. M00 Page 44801  
**Linda Smith,**  
County Clerk    Fee\$ 26<sup>00</sup>