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After recording return to:  
Lawyers Title Insurance Corporation  
1555 E. McAndrews Road, Suite 100  
Medford OR 97504

Vol M03 Page 60932 120430Xsb

State of Oregon, County of Klamath  
Recorded 08/20/2003 2:52 p. m  
Vol M03 Pg 60932-32  
Linda Smith, County Clerk  
Fee \$ 46<sup>00</sup> # of Pgs 6

Until a change is requested, all tax statements  
shall be sent to Grantee at the following address:  
P.O. Box 1974  
Klamath Falls, OR 97601

ASPEN 57323

## STATUTORY WARRANTY DEED

Michael D. Kay and Cathy S. Kay. as tenants by the entirety

, Grantor, conveys and warrants to JE Batzer, Trustee of Northern Pacific Rail Transportation Trust formed in a Declaration of Trust dated 2-16-2000 and as originated under 55-17.1 Virginia Statutes, Trust #36-1202043 as to an undivided 80.40% interest, and The Foreign Children's Foundation Trust Trust #540-71-1537, JM Batzer Trustee, as to an undivided 19.60% interest.

, Grantee, the following described real property free of encumbrances except as specifically set forth herein:  
See Exhibit "A" attached hereto and made a part hereof  
See Exhibit "B" attached hereto and made a part hereof

This property is free of encumbrances, **EXCEPT:**

See Exhibit "A" attached hereto and made a part hereof  
See Exhibit "B" attached hereto and made a part hereof

"The consideration paid herein has been paid by an Accommodator pursuant by an IRC S1031 exchange."

The true consideration for this conveyance is \$ 111,600.00.

**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.**

Dated this 13<sup>th</sup> day of August, 2003

Michael D. Kay  
Michael D. Kay

Cathy S. Kay  
Cathy S. Kay

STATE OF OREGON, COUNTY OF Jackson

The foregoing Instrument was acknowledged before me this 13<sup>th</sup> day of August 2003, by  
Michael D. Kay and Cathy S. Kay

Shelly L. Berryessa  
Notary Public for Oregon  
My commission expires 2/27/07



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## EXHIBIT A

**Lot 16, Block 11, Tract No. 1069, SIXTH ADDITION TO SUNSET VILLAGE, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.**

**EXCEPTING THEREFROM the Northeastly 5 feet thereof.**

**SUBJECT TO:**

1. Taxes of 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; 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 record.
2. Any fact, 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 of exceptions in patents or in acts authorizing the issuance thereof, water rights, claims or title to water.
4. Any lien, or right to 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.
6. The subject property lies within the boundaries of the Enterprise Irrigation District and is subject to the levies and assessments thereof.
7. The subject property lies within the boundaries of the South Suburban Sanitary District and is subject to the levies and assessments thereof.
8. The subject property lies within the boundaries of the Klamath County Drainage District and is subject to the levies and assessments thereof.
9. The subject property lies within the boundaries of the Suburban Lighting District and is subject to the levies and assessments thereof.
10. Conditions, restrictions and/or setbacks, as shown on the recorded plat of Tract 1069, Sixth Addition to Sunset Village.

**Easements as delineated on the recorded plat,**

**For: Utilities along the Northwestly 8 feet.**

**Covenants, conditions, restrictions, easements, and/or setbacks, imposed by instrument, including the terms and provisions thereof,**

**Recorded: June 29, 1973**

**Book: M-73**

**Page: 8283**

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 free 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 dedicate, 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 and 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 purchase the whole or in any part of the reversion and to 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 hereinafter 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 as 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:

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 agreement 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 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 and 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 any lawsuit be filed upon said Trustee, whether personally or as Trustee, that said Trustee shall immediately sign an

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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 payable to the beneficiaries of said Trust.

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 and/or powers of the court of competent jurisdiction.

### SUCCESSOR AND ALTERNATE SUCCESSOR TRUSTEES:

Bong-Gat-Wong, Bette Helsby and

R.L. Peterson

IN WITNESS WHEREOF, the said Grantor has hereunto set his hand and seal this  
13<sup>th</sup> day of August, 2003.

Signed, sealed and delivered in our presence:

WITNESSES:

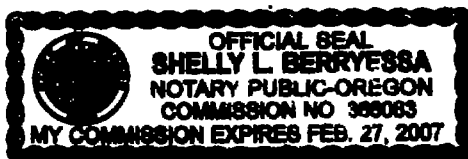
Michael D. Kay  
Michael D. Kay

Cathy S. Kay  
Grantor Cathy S. Kay

STATE OF Oregon

COUNTY OF Jackson

This instrument was acknowledged before me by Michael D Kay & Cathy S Kay, Grantor who, being first sworn, affirmed that he executed the foregoing for the purpose contained therein on this 13 day of August, 2003



Shelly L. Berryessa  
NOTARY PUBLIC