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2007-009553  
Klamath County, Oregon



05/29/2007 10:05:59 AM

Fee: \$46.00

RECORDING REQUESTED BY  
And When Recorded Mail to:

Airport RR, LLC  
1881 Lower Klamath Lake Rd.  
Klamath Falls, OR 97603

Mail Tax Statements to:

Until a change of address is requested, all tax statements shall be sent to the following address:

Airport RR, LLC  
1881 Lower Klamath Lake Rd.  
Klamath Falls, OR 97603

Space Above for County Recorder's Use

2267-08

QUITCLAIM DEED

UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, Grantor, (formerly known as Southern Pacific Transportation Company, a Delaware corporation) releases and quitclaims to AIRPORT RR, LLC, an Oregon limited liability company, Grantee, and unto its successors and assigns forever, all right, title and interest in and to the real property (hereinafter the "Property") situated in Klamath County, State of Oregon, as more particularly described in **Exhibit A**, hereto attached and hereby made a part hereof.

EXCEPTING from this quitclaim and RESERVING unto Grantor, its successors and assigns, forever, all minerals and all mineral rights of every kind and character now known to exist or hereafter discovered underlying the Property, including without limiting the generality of the foregoing, oil and gas and rights thereto, together with the sole, exclusive and perpetual right to explore for, remove and dispose of said minerals by any means or methods suitable to the Grantor, its successors and assigns, but without entering upon or using the surface of the Property, and in such manner as not to damage the surface of the Property, or to interfere with the use thereof by the Grantee, its successors and assigns.

The true and actual consideration for this quitclaim is \$6,500.00.

The Property is quitclaimed by Grantor subject to the following covenants, conditions and restrictions which Grantee by the acceptance of this Deed covenants for itself, its successors and assigns, faithfully to keep, observe and perform:

1. Restriction on Use. Buildings or structures for human occupancy must not be constructed or placed on the Property, including, without limitation, homes (including, without limitation, mobile homes), apartments, hotels, motels, boarding houses, dormitories, hospitals, nursing homes, or retirement centers.

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2. Railroad Proximity Covenant.

(a) Grantee acknowledges that the property abutting the northeasterly boundary line of the Property is dedicated and used for railroad purposes, that railroad operations may create noise, vibrations, emissions, fumes and odors twenty-four (24) hours a day, and that the amount, nature and intensity of railroad operations may increase or change (collectively, the "Permitted Effects"). Grantee accepts the Property subject to the existence of the Permitted Effects. By acceptance of the Property, Grantee agrees that, at Grantee's sole cost and expense, as part of the development of the Property, Grantee shall design and install and/or construct and thereafter maintain improvements to reduce or limit the Permitted Effects and to comply with all governmental requirements, if any, which may be imposed as a condition to the development and use of the Property because of the Permitted Effects.

(b) Grantee shall not, and hereby waives all rights to, (i) institute legal proceedings against Grantor, and any lessee of Grantor leasing such railroad right-of-way, to reduce or lessen the Permitted Effects; and (ii) directly or indirectly participate in petition drives, lobbying efforts or other activities seeking the enactment of federal, state or local laws or ordinances to reduce or lessen the Permitted Effects. Any party breaching such covenant shall reimburse Grantor and Grantor's lessee to comply with any such orders, laws or ordinances, including, without limitation, attorney fees and court costs.

(c) If Grantee sells or leases all or any portion of the Property, Grantee shall require all purchasers and tenants to acknowledge the location of the railroad operations abutting the Property and the existence of the Permitted Effects, and to agree in writing, for the benefit of Grantor, to comply with the above covenants.

3. Fence Covenant. Grantee, at its sole cost and expense, shall install, within ninety (90) days after the date of delivery of this Deed, and thereafter maintain fencing or other barriers to prevent access to or encroachment on the railroad right-of-way of Grantor adjacent to the northeasterly boundary of the Property. The fencing or barrier must be of a design and type satisfactory to Grantor, and in compliance with applicable building codes. Grantee shall submit the plans for the fencing or barrier construction to:

Vice President-Engineering Management  
Union Pacific Railroad Company  
1400 Douglas Street, Mail Stop 0910  
Omaha, Nebraska 68179

with copy of transmittal to:

Assistant Vice President - Real Estate  
Union Pacific Railroad Company  
1400 Douglas Street, Mail Stop 1690  
Omaha, Nebraska 68179

for review and approval. Grantor shall complete such review and make appropriate response to Grantee within twenty (20) days after receipt of such plans by Grantor. Grantor shall not unreasonably withhold its approval of such plans. Such approval does not constitute a guarantee or warranty that such plans comply with applicable governmental laws, rules, regulations or ordinances, or that the fence as constructed will be structurally sound.

The foregoing covenants, conditions and restrictions will run with the Property. A breach of the foregoing covenants, conditions and restrictions, or the continuance thereof, may, at the option of Grantor, its successors or assigns, be enjoined, abated or remedied by appropriate proceedings.

Except as may be otherwise provided in a written assignment or other written agreement between Grantor and Grantee, Grantor reserves all income (including, without limitation, rentals, license fees and royalties) from any existing license and other existing rights to use the Property and renewals thereof granted by Grantor or Grantor's predecessors in interest. Grantee agrees that if Grantee receives any such income, Grantee will promptly forward the income to Grantor.

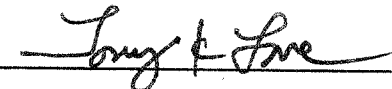
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING 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 TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

DATED this 9<sup>th</sup> day of May, 2007.

Attest:

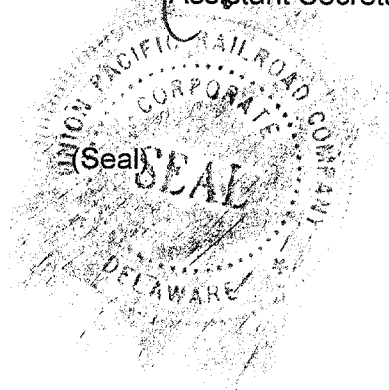
  
Assistant Secretary

UNION PACIFIC RAILROAD COMPANY

By: 

**Assistant Vice President - Real Estate**

Title: \_\_\_\_\_




ACKNOWLEDGMENT

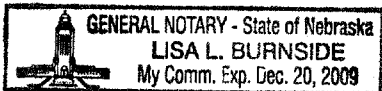
STATE OF NEBRASKA       )  
  ) ss.  
COUNTY OF DOUGLAS    )

On May 9, 2007, before me, LISA L. BURNSIDE, Notary Public in and for said County and State, personally appeared ME Heenan and Tony K. Low who are the VP- Real Estate and the Assistant Secretary, respectively, of Union Pacific Railroad Company, a Delaware corporation, and who are personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to in the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

  
Notary Public

(Seal)



Grantee hereby accepts this Deed and agrees for itself, its successors and assigns, to be bound by the covenants set forth herein.

Dated this 16<sup>th</sup> day of May, 2007.

AIRPORT RR, LLC

By: [Signature]

Its: member

STATE OF OREGON )  
COUNTY OF Klamath ) ss.

On this 16<sup>th</sup> day of May, 2007, before me, Jana DuBose, Notary Public in and for said County and State, personally appeared Lee Sukraw who is the member of Airport RR, LLC, an Oregon limited liability company, and who is personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to in the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)



[Signature]  
Notary Public

**Exhibit A to Quitclaim Deed  
Union Pacific Railroad Company  
Klamath County, Oregon**

A tract of land in the Southwest Quarter of the Northeast Quarter of the Northeast Quarter (SW  $\frac{1}{4}$  of NE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ ) of Section 27, Township 39 South, Range 9 East, Willamette Base & Meridian, Klamath County, Oregon, being that same tract of land described in the deed dated September 7, 1933 from D.W. Ferguson and Davella Ferguson to Central Pacific Railway Company, predecessor to Union Pacific Railroad Company, recorded in Deed Records of Klamath County, Oregon on October 20, 1933 in Book 98 on Page 527, the said tract being bounded:

Westerly by the west line of the said Southwest Quarter of the Northeast Quarter of the Northeast Quarter (SW  $\frac{1}{4}$  of NE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ ) of Section 27 (the "Legal Subdivision") for a distance of 467.79 feet, more or less, measured along said west line from the southwest corner of said Legal Subdivision;

Southerly by the south line of the said Legal Subdivision for a distance of 310.60 feet, more or less, measured along said south line from the southwest corner of said Legal Subdivision; and

Northeasterly by the southwesterly boundary of the parcel of land described in and conveyed by the deed dated September 21, 1910 from Chas. A. Moore et al., to the Central Pacific Railway Company, predecessor to Union Pacific Railroad Company, recorded in Deed Records of Klamath County, Oregon on October 3, 1910 in Book 30 on Page 222, the said southwesterly boundary line having a length of 561.52 feet from the west line to the south line of the said Legal Subdivision on a bearing of South 33° 16' East from that point on the said west line of Legal Subdivision distant South 75° 48' East 4,132.6 feet from the corner common to Sections 27, 28, 21 and 22, said Township and Range.

The said tract of land containing an area of 1.668 acres, more or less, situate in Klamath County, Oregon.

**End of Exhibit A to Quitclaim Deed**

**Folder No. 2267-08  
February 27, 2007**