

W-14.a.



AGENDA COVER MEMO

DATE: May 31, 2006

TO: BOARD OF COUNTY COMMISSIONERS

FROM: BILL VANVACTOR, COUNTY ADMINISTRATOR
KENT HOWE, PLANNING DIRECTOR

RE: In the Matter of Considering a Ballot Measure 37 Claim and Deciding Whether to Modify, Remove or Not Apply Restrictive Land Use Regulations in Lieu of Providing Just Compensation (PA05-6038, Allison)

I. MOTION

Move to approve the Measure 37 Claim and adopt the order attached as Exhibit "A".

II. ISSUE OR PROBLEM

Shall the Board of County Commissioners compensate an applicant under Ballot Measure 37 and LC 2.700 through 2.770 for the reduction in fair market value of the affected property interest resulting from enactment or enforcement of restrictive land use regulations or modify, remove, or discontinue application of those land use regulations to the subject property to allow Phillip and Carolyn Allison to use the property as could have been permitted at the time they acquired an interest in the property?

III. DISCUSSION

A. Background

Applicant: Phillip and Carolyn Allison

Current Owner: Allison Loving Trust

Agent: Sheryl Balthrop

Map and Tax lot: 19-02-04 #800 and #1000

Acreage: 80 acres

Current Zoning: E-40 (Exclusive Farm Use)

Date the Allison family acquired an interest in the property:

Taxlot 800: July 1, 1971.

Taxlot 1000: undetermined.

Land Use Regulations in Effect on date of acquisition: AGT zone

County land use regulation which restricts the use and reduces the fair market value

- the property, and
3. The restrictive land use regulation is not an exempt regulation as defined in LC 2.710.

Restrictive Regulations

Phillip and Carolyn Allison acquired an interest in tax lot 800 on July 1, 1971, as evidenced by an unrecorded Land Sale Contract between them and Kenneth and Thelta Danstrom. On June 27, 1991, Allison assigned the contract to the Allison Loving Trust (Assignment of Contract #9132411). On October 2, 1991, the ownership was conveyed from Danstrom to the Trust (Warranty Deed 9148659). On October 28, 2004, Allison conveyed the property to the Trust (Warranty Deed 2004-083534). Based on this evidence, the Allison family acquired an interest in tax lot 800 on July 1, 1971. Because the Trust is revocable and Phillip and Carolyn are the trustees, Phillip and Carolyn can be considered the current owners for purposes of this claim.

No evidence has been submitted that identifies when the Allison family initially acquired an interest in tax lot 1000 similar to tax lot 800. Assignment of Contract 9262164, dated October 19, 1992, from Allison to the Trust, references a memorandum of contract that was recorded on July 1, 1991. However, that contract has not been submitted, even after a request by staff. Instead, a copy of instrument #9132411 was resubmitted, which is an assignment of contract for tax lot 800. Tax lot 1000 was conveyed to the Trust on February 18, 1993 (Warranty Deed 9315877). This evidence does not show Phillip and Carolyn Allison acquired an interest in the property prior to 1992. Because there is no evidence of a value reduction, it appears this is not a valid claim for tax lot 1000. The applicant may either submit the requested evidence or place the claim for tax lot 1000 on hold.

Reduction in Fair Market Value

As evidence of a reduction in value, the applicant submitted an appraisal. According to this evidence, the reduction in value is \$709,000. The Board must determine if the submitted evidence demonstrates a reduction in fair market value resulting from enforcement of a restrictive land use regulation.

Exempt Regulations

The E40 (Exclusive Farm Use) limitations on new dwellings, and the minimum parcel size of 40 acres do not appear to be exempt regulations described in Measure 37 or LC 2.710.

E. Conclusion/County Administrator Recommendation

It appears this is a valid claim for tax lot 800 if the Board determines the submitted evidence demonstrates a reduction in fair market value resulting from enforcement of a restrictive land use regulation.

Based on the submitted evidence, it appears this is not a valid claim for tax lot 1000.

IV. ALTERNATIVES/OPTIONS

The Board has these options:

1. Determine the application appears valid and adopt the order attached to this report.
2. Require more information regarding the reduction in value or ownership.
3. Conclude the application is not a valid claim and direct the issuance of a final written decision by the County Administrator denying the Claim.

V. RECOMMENDATION

For tax lot 800, if the Board determines the submitted evidence demonstrates a reduction in fair market value resulting from enforcement of a restrictive land use regulation, the County Administrator recommends alternative #1.

For tax lot 1000, the County Administrator recommends the Board deny the claim or allow the applicant to place the claim on hold.

VI. ATTACHMENTS

Order to approve the Measure 37 claim of Phillip and Carolyn Allison for tax lot 800.

Written claim submitted July 22, 2005, with supplemental information.

**BEFORE THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY,
OREGON**

ORDER No.) IN THE MATTER OF CONSIDERING A BALLOT
) MEASURE 37 CLAIM AND DECIDING
) WHETHER TO MODIFY, REMOVE OR NOT
) APPLY RESTRICTIVE LAND USE
) REGULATIONS IN LIEU OF PROVIDING JUST
) COMPENSATION (Phillip and Carolyn Allison/
) PA05-6038).

WHEREAS, the voters of the State of Oregon passed Ballot Measure 37 on November 2, 2004, which added provisions to Oregon Revised Statutes (ORS) Chapter 197 to require, under certain circumstances, payment to landowners if a government land use regulation restricts the use of private real property and has the effect of reducing the property value; and

WHEREAS, the Board of County Commissioners of Lane County enacted Ordinance No. 18-04 on December 1, 2004, to establish a real property compensation claim application process in LC 2.700 through 2.770 for Ballot Measure 37 claims; and

WHEREAS, the County Administrator has reviewed an application for a Measure 37 claim submitted by Phillip and Carolyn Allison (PA05-6038), the owners of real property described in the records of the Lane County Assessor as map 19-02-04, tax lot 800, consisting of approximately 75 acres in Lane County, Oregon; and

WHEREAS, the County Administrator has determined that the application appears to meet all of the criteria of LC 2.740(1)(a)-(d), appears to be eligible for just compensation and appears to require modification, removal or not applying the restrictive land use regulations in lieu of payment of just compensation and has referred the application to the Board for public hearing and confirmation that the application qualifies for further action under Measure 37 and LC 2.700 through 2.770; and

WHEREAS, the County Administrator has determined under LC 2.740(4) that modification, removal or not applying the restrictive land use regulation is necessary to avoid owners entitlement to just compensation under Ballot Measure 37 and made that recommendation to the Board; and

WHEREAS, the Board has reviewed the evidence and confirmed the application appears to qualify for compensation under Measure 37 but Lane County has not appropriated funds for compensation for Measure 37 claims and has no funds available for this purpose; and

WHEREAS, on May 31, 2006, the Board conducted a public hearing on the Measure 37 claim (PA05-6038) of Phillip and Carolyn Allison and has now determined that the restrictive E40 (Exclusive Farm Use) zone dwelling and land division requirements of LC 16.212 were enforced and made applicable to prevent Phillip and Carolyn Allison from developing the property as might have been allowed at the time it was acquired on July 1, 1971, and that the public benefit from application of the current E40 restrictions on new dwellings to the applicants' property is outweighed by the public burden of paying just compensation; and

WHEREAS, Phillip and Carolyn Allison request either \$709,000 as compensation for the reduction in value of their property, or waiver of all land use regulations that would prevent the placement creation of lots as small as five acres and placement of a dwelling in each new lot, uses that could have otherwise been allowed at the time they acquired the property; and

WHEREAS, the Board finds that under LC 2.760(3) the public interest would be better served by modifying, removing or not applying the challenged land use regulations of the E40 zone to the subject property in the manner and for the reasons stated in the report and recommendation of the County Administrator incorporated here by this reference except as explicitly revised here to reflect Board deliberation and action to allow Phillip and Carolyn Allison to make application for development of the subject property in a manner similar to what they could have been able to do under the regulations in effect when they acquired the property; and

WHEREAS, this matter having been fully considered by the Lane County Board of Commissioners.

NOW, THEREFORE IT IS HEREBY ORDERED that Phillip and Carolyn Allison made a valid claim under Ballot Measure 37 by describing the use being sought, identifying the county land use regulations prohibiting that use, submitting evidence that those land use regulations have the effect of reducing the value of the property, showing evidence that they acquired the property before the restrictive county land use regulations were enacted or enforced and the Board hereby elects not to pay just compensation but in lieu of payment, the request of Phillip and Carolyn Allison shall be granted and the restrictive provisions of LC 16.212 that prevent the development of a new dwelling in the E40 (Exclusive Farm Use) Zone shall not apply to Phillip and Carolyn Allison, so that they can make application for approval to develop the property described in the records of the Lane County Assessor as map 19-02-04, tax lot 800, in a manner consistent with the land use regulations in effect when they acquired an interest in the property on July 1, 1971.

IT IS HEREBY FURTHER ORDERED that Phillip and Carolyn Allison still need to make application and receive approval for a land division and placement of dwellings under the other land use regulations applicable to dividing the land and placing dwellings that were not specifically identified or established by Phillip and Carolyn Allison as restricting the division of the property and placement of dwellings, and it would be premature to not apply those regulations given the available evidence. To the extent necessary to effectuate the Board action to not apply the dwelling or division restrictions of the applicable zone described above, the claimant shall submit appropriate applications for review and approval of a new dwelling to show the specific development proposals and in the event additional county land use regulations result in a restriction of those uses that have the effect of reducing the fair market value of the property, the County Administrator shall have the authority to determine those restrictive county land use regulations that will not apply to that development proposal to preclude entitlement to just compensation under Measure 37. All other Lane Code land use and development regulations shall remain applicable to the subject property until such time as they are shown to be restrictive and that those restrictions reduce the fair market value of the subject property.

IT IS HEREBY FURTHER ORDERED that this action making certain Lane Code provisions inapplicable to use of the property by Phillip and Carolyn Allison does not constitute a waiver or

modification of state land use regulations and does not authorize immediate construction of a dwelling. The requirements of state law may contain specific standards regulating development of the subject property and the applicants should contact the Department of Administrative Services (DAS - State Services Division, Risk Management - Measure 37 Unit, 1225 Ferry Street SE, U160, Salem, OR 97301-4292; Telephone: (503) 373-7475; website address: <http://www.oregon.gov/DAS/Risk/M37.shtml>) and have the State of Oregon evaluate a Measure 37 claim and provide evidence of final state action before seeking county land use approval.

IT IS HEREBY FURTHER ORDERED that the other county land use regulations and rules that still apply to the property require that land use, sanitation and building permits be approved by Lane County before any development can proceed. Notice of this decision shall be recorded in the county deed records. This order shall be effective and in effect as described in LC 2.770 and Ballot Measure 37 to the extent permitted by law. This order does not resolve several questions about the effect and application of Measure 37, including the question of whether the right of applicants to divide or build dwellings can be transferred to another owners. If the ruling of the Marion County Circuit Court in *MacPherson v. Dept. of Administrative Services*, (Marion County Circ. Ct. Case No. 00C15769, October 14, 2005) or any other court decision involving Ballot Measure 37 becomes final and that decision or any subsequent court decision has application to Lane County in a manner that affects the authority of this Board to grant relief under Ballot Measure 37 and LC 2.700 through 2.770 then the validity and effectiveness of this Order shall be governed by LC 2.770 and the ruling of the court.

DATED this _____ day of _____, 2006.

Bill Dwyer, Chair
Lane County Board of County Commissioners

APPROVED AS TO FORM

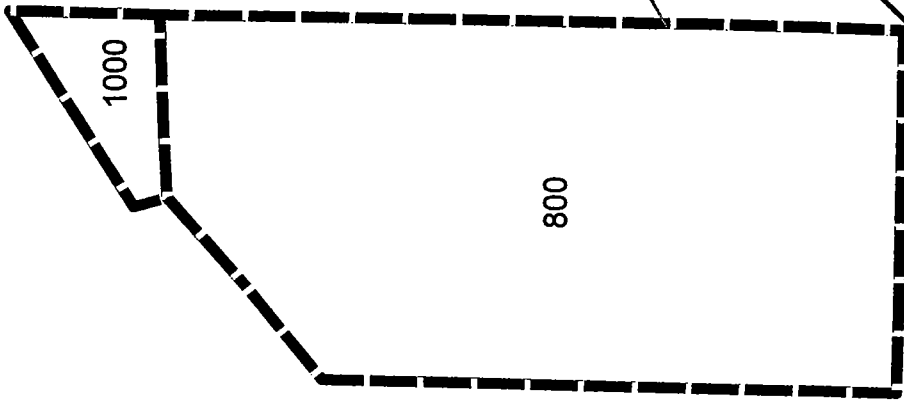
Date 5-23-2006 Lane County



OFFICE OF LEGAL COUNSEL

Allison M37 Claim
PA05-6038

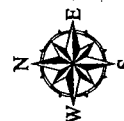
BUENA VISTA



MORNINGSTAR

HAWKS

ENTERPRISE RAINTREE



AMENDED Application for Claims Under LC 2.700 through 2.770

Due to Regulatory Reduction of Property Value Under Provisions Added to ORS Chapter 197 by BM37

Note: This completed form together with the referenced supporting documentation and application fee must be submitted to the Lane County Land Management Division, 125 East 8th Avenue, Eugene, Or., 97401 for all claims subject to the provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004), to be considered for compensation under LC 2.700 through 2.770. In all cases, the applicant has the burden of demonstrating, with competent evidence, that all applicable criteria are met and the applicant would be entitled to compensation if the land use regulation continues to apply. Use additional paper, if necessary.

1. Applicant/ Agent

| | | |
|--|---|------------------|
| Carolyn L. Allison and Philip L. Allison, Trustees of the Allison Loving® Trust | 35882 N Morningstar Road Pleasant Hill, OR 97455 | 541/ 747 4597 |
| Applicant Name (Please Print) | Mailing Address | Phone |
| Carolyn L. Allison and Philip L. Allison, Trustees of the Allison Loving® Trust | 35882 N Morningstar Road Pleasant Hill, OR 97455 | 541/ 747 4597 |
| Agent Name (Please Print) | Mailing Address | Phone |

2. Property Owner

Please provide the Name, Mailing Address and telephone number of all property owners of record holding interest in the property that is the subject of this application. Include a complete listing of all lien holders, trustees, renters, lessees or anyone with an interest in the property and describe the ownership interest.

| | | |
|--|---|------------------|
| Carolyn L. Allison, Trustees of the Allison Loving® Trust | 35882 N Morningstar Road Pleasant Hill, OR 97455 | 541/ 747 4597 |
| Property Owner Name (Please Print) | Mailing Address | Phone |
| Philip L. Allison, Trustees of the Allison Loving® Trust | 35882 N Morningstar Road Pleasant Hill, OR 97455 | 541/ 747 4597 |
| Property Owner Name (Please Print) | Mailing Address | Phone |

3. Legal Description

Please provide an accurate legal description, tax account number(s), map, street address and location of all private real properties that are the subject of this application.

Assessor Map & Tax Lot 19-02-04; Tax Lot No. 800
35882 N Morningstar Road
 Street Address Pleasant Hill, OR 97455 Legal Description Attached x

4. Identification of Imposed Land Use Regulation

Please identify the Lane Code section or other land use regulation imposed on the private real property that is alleged to restrict the use of the subject property in a manner that reduces the fair market value. Include the date the regulation was first adopted, enforced or applied to the subject property and a written statement addressing all the criteria in LC 2.740(1).

Claimants, Carolyn L. and Philip L. Allison, Trustees and Beneficiaries of the Allison Loving® Trust, have continuously owned the subject property since 1971. In 1976, Lane County changed the applicable zoning to Exclusive Farm Use, 40 acres minimum. LC 16.212 *et seq.* restricted Claimants' ability to place additional dwellings upon or subdivide the property, thus reducing its fair market value as described in the appraisal filed herewith. Exclusive Farm Use and LC 16.212 *et seq.* are not exempt regulations as defined by LC 2.710. They are not 1) a restriction upon a public nuisance; (2) to protect public health and safety; (3) required by federal law; (4) related to pornography or nude dancing; or (5) enacted prior to Claimants' ownership of the property.

CLAIMANTS RESERVE THE RIGHT TO AMEND AND SUPPLEMENT THE CLAIM AS NEEDED.

5. Title Report

Please attach a Preliminary Title Report showing title history and continuous ownership traced to the earliest family member ownership, the date of current owner(s) acquisition and all current interests of record for the subject property, issued within 30 days of the application submittal. Provide copies of relevant deeds.

6. Appraisal/Regulatory Effect

Please provide one original, signed appraisal prepared by an appraiser licensed by the Appraiser Certification and Licensure Board of the State of Oregon addressing the requirements of provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004) and indicating the amount of the alleged reduction in fair market value by showing the difference in the fair market value of the property before and after the application of the challenged regulations as of the date the owner makes written demand for compensation. Include all of the supporting methodology, assumptions and calculations affecting the appraisal.

attached

7. Leases, Covenants, Conditions and Restrictions

Please provide copies of any leases or covenants, conditions and restrictions applicable to the subject property.

none

8. Identification of Relief Sought

Please specifically indicate what relief is being sought, either a monetary value of the claim describing the reduction in fair market value of the property or the specific use authorization sought in any waiver of the land use regulation.

Claimants request the Lane County Board of Commissioners issue an Ordinance removing and discontinuing the application of the Exclusive Farm Use to the subject property, so as to allow division of the property into 5-acre parcels and the construction of dwellings upon each parcel. In the alternative, Claimants request \$709,000 which is the reduction of the fair market value of the property resulting from the regulation.

I (we) have completed all of the attached application requirements and certify that all statements are true and accurate to the best of my (our) knowledge and belief. I am (We are) authorized to submit this application on behalf of all those with an interest in the property and all the owner(s) agree to this claim as evidenced by the signature of those owner(s) below. Include additional signatures, as necessary.

Entry by County or its designee upon the subject property is authorized by the owner(s) and the owner(s) consent to the application for claims under provisions added to ORS Chapter 197 by Ballot Measure 37 (November 2, 2004).

Carolyn L. Allison
CAROLYN L. ALLISON
Philip L. Allison
PHILIP L. ALLISON Trustees of the Allison
OWNERS' SIGNATURES Loving® Trust

4-20-06
Date

Carolyn L. Allison
CAROLYN L. ALLISON
Philip L. Allison
PHILIP L. ALLISON Trustees of the Allison Loving®
APPLICANTS' SIGNATURES Trust

4-20-06
Date

The following contacts are provided to assist you in finding the necessary information for this application.

For zoning and land use information, please contact the Land Management Division at 682-3577.

This phone contact is a message line. Please leave a message and a Planner will return your call.

For deeds and records information, please contact Lane County Deeds and Records at 682-3654.

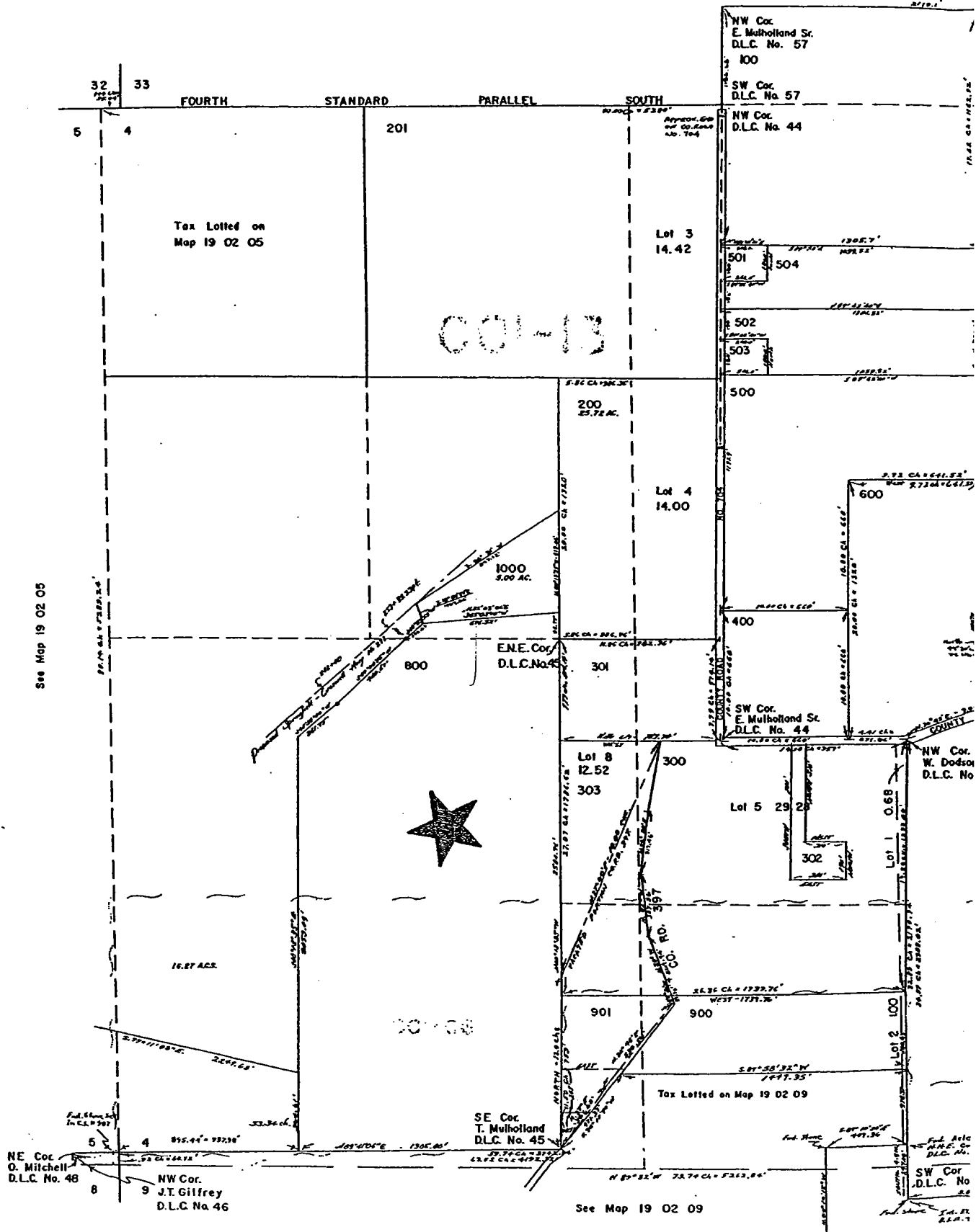
Section 4 T19S. R2W.W.M.

LANE COUNTY

1"=400'

See Map 18 02 33

19-02-04
THIS MAP IS TO ASSIST LOCATING
PROPERTY. THE COMPANY ASSUMES
NO LIABILITY FOR INACCURACIES.



OK

9148659

WARRANTY DEED—STATUTORY FORM
INDIVIDUAL GRANTOR

200

KENNETH ALFRED DANSTROM,

Grantor,

conveys and warrants to PHILIP L. ALLISON and CAROLYN L. ALLISON, TRUSTEES, OR THEIR
SUCCESSORS IN TRUST, UNDER THE ALLISON LOVING TRUST DATED JUNE 27, 1991,

Grantee, the following described real property free of encumbrances

except as specifically set forth herein situated in Lane County, Oregon, to-wit:
Beginning at the iron pin marking the southeast corner of the Thomas Mulholland Donation
Land Claim No. 45 in Township 19 South, Range 2 West of the Willamette Meridian; thence N
0° 13' 35" W 2584.76 feet along the east line of said Donation Land Claim No. 45 to the stone
marking the east-northeast corner thereof; thence N 0° 13' 35" W 96.25 feet to a point marked
by an iron pin; thence, S 85° 03' 06" W 676.52 feet to an iron pin set on the southerly right
of way line of the proposed State Highway; thence, S 48° 23' 59" W 126.63 feet along said
right of way line to an iron pin opposite to and 100.00 feet southeasterly from proposed
centerline station 257+39.33 P.T.; thence S 47° 04' 15" W 460.67 feet continuing along said
right of way line to an iron pin opposite centerline station 262+00 P.T.; thence, S 48° 39'
44" W 261.75 feet continuing along the southerly right of way line of said highway to a point
marked by an iron pin; thence S 0° 13' 35" E 2059.09 feet to an iron pin set on the south

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

The said property is free from encumbrances except easements, conditions and restrictions
of record.

1695OCT.08'91#06REC 10.00
1695OCT.08'91#06PFUND 10.00
1695OCT.08'91#06A&T FUND 20.00

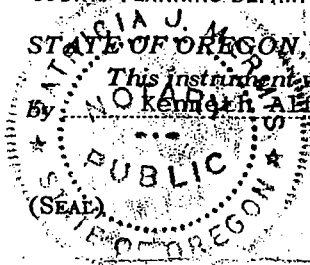
The true consideration for this conveyance is \$30,000.00 (Here comply with the requirements of ORS 93.030)

Dated this 2nd day of October, 1991

Kenneth A. Danstrom
Kenneth Alfred Danstrom

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.

STATE OF OREGON, County of Lane) ss.
This instrument was acknowledged before me on October 2, 1991.
By Kenneth Alfred Danstrom aka Kenneth A. Danstrom



Patricia J. Mermis
Notary Public for Oregon
My commission expires 3/13/92

WARRANTY DEED

KENNETH ALFRED DANSTROM
PHILIP L. ALLISON & CAROLYN L. ALLISON, TRUSTEES
35882 N. Morningstar Rd.
Pleasant Hill, OR 97455
After recording return to:
Philip L. Allison & Carolyn L. Allison, Trustees
35882 N. Morningstar Rd.
Pleasant Hill, OR 97455

NAME, ADDRESS, ZIP

Until a change is requested, all tax statements shall be sent to the following address:
Philip L. Allison & Carolyn L. Allison, Trustees
35882 N. Morningstar Rd.
Pleasant Hill, OR 97455
NAME, ADDRESS, ZIP

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,)
County of) ss.

I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book/reel/volume No. on page or as fee/file/instrument/microfilm/reception No., Record of Deeds of said county.

Witness my hand and seal of County affixed.

NAME TITLE
By Deputy

9148659

line of said Mulholland Donation Land Claim No. 45; thence, N 89° 41' 06" E: 1305.00 feet to the point of beginning in Lane County, Oregon, containing 75 acres, more or less.

RECORDED
INDEXED
FILED

9148659

State of Oregon,
County of Lane--ss.

I, the County Clerk, in and for the said County, do hereby certify that the within instrument was received for record at

8 OCT 31 11 48

Reel 1721R

Lane County OFFICIAL Records.
Lane County Clerk

By: John E. Fawcett
County Clerk

9 192767 "RETURN TO CASCADE TITLE CO."

NL

9315877

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That Kenneth Alfred Danstrom

1000
5
12
20

hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by Philip L. Allison and Carolyn L. Allison, Trustees, or their successors in trust, under the Allison Loving Trust dated June 27, 1991, hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the grantee and grantee's heirs, successors and assigns, that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Lane County, State of Oregon, described as follows, to-wit:

Beginning at the iron pin marking the southeast corner of the Thomas Mulholland Donation Land Claim No. 45 in Township 19 South, Range 2 West of the Willamette Meridian; thence North 0°13'35" West 2681.01 feet along the east line of said Donation Land Claim No. 45 and its northerly extension to an iron pin set in that survey recorded at the Lane County Surveyor's Office under No. 16775 marking the True Point of Beginning; thence, North 0°13'35" West 513.06 feet to a point marked by a reinforcing rod; thence, South 56°31' West 847.12 feet to a point; thence, South 18° 22'27" East 109.66 feet to reinforcing rod set in said Survey No. 16775 to mark its northwest corner; thence, North 85°03'06" East 676.52 feet to the true point of beginning in Lane County, Oregon.

3813MAR.16'93HOIREC 5.00
3813MAR.16'93HO1PFUND 10.00
3813MAR.16'93HO1A&T FUND 20.00

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

To Have and to Hold the same unto the grantee and grantee's heirs, successors and assigns forever.

And grantor hereby covenants to and with grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple of the above granted premises, free from all encumbrances except easements, conditions and restrictions of record.

and that grantor will warrant and forever defend the 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 true and actual consideration paid for this transfer, stated in terms of dollars, is \$8,000.00

However, the actual consideration consists of or includes other property or value given or promised which is the whole part of the consideration (indicate which). (The sentence between the symbols @, if not applicable, should be deleted. See ORS 93.030.)

In construing this deed, where the context so requires, the singular includes the plural and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

In Witness Whereof, the grantor has executed this instrument this 18 day of February, 1993; if a corporate grantor, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

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.

Kenneth A. Danstrom
Kenneth A. Danstrom

STATE OF OREGON, County of Lane ss.
This instrument was acknowledged before me on February 18, 1993,
by Kenneth A. Danstrom

This instrument was acknowledged before me on _____, 19____,
by _____
as _____
of _____



Theresa M. Barnard
Notary Public for Oregon
My commission expires 9-15-95

Kenneth Alfred Danstrom
Grantor's Name and Address
Philip L. Allison & Carolyn L. Allison, Trustees
35882 N. Morningstar Rd.
Pleasant Hill, OR 97455
Grantee's Name and Address
After recording return to (Name, Address, Zip):
Same as above
Until requested otherwise send all tax statements to (Name, Address, Zip):
Philip L. Allison & Carolyn L. Allison, Trustees
35882 N. Morningstar Rd.
Pleasant Hill, OR 97455

STATE OF OREGON,
County of _____ ss.
I certify that the within instrument

SPACE RESERVED FOR RECORDER'S USE

State of Oregon,
County of Lane--ss.

I, the County Clerk, in and for the said County, do hereby certify that the within instrument was received for record at

16 MAR 93 9:36

Reel 1833R

Lane County OFFICIAL Records.
Lane County Clerk

By: [Signature] County Clerk

9315877

LAND SALE CONTRACT

BY AND BETWEEN

KENNETH ALFRED DANSTROM AND THELTA IRIS DANSTROM

AND

PHILIP LLOYD ALLISON AND CAROLYN LOUISE ALLISON

DATED: JULY 1, 1971

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600

LAND SALE CONTRACT

THIS AGREEMENT, made this 1st day of July, 1971, by and between KENNETH ALFRED DANSTROM and THELTA IRIS DANSTROM, husband and wife, hereinafter called VENDOR, and PHILIP LLOYD ALLISON and CAROLYN LOUISE ALLISON, husband and wife, hereinafter called PURCHASER,

1. DESCRIPTION OF PROPERTY: Vendor agrees to sell to Purchaser, and Purchaser agrees to purchase, that certain land, and all improvements thereon, situated in Lane County, State of Oregon, described as follows:

Beginning at the iron pin marking the southeast corner of the Thomas Mulholland Donation Land Claim No. 45 in Township 19 South, Range 2 West of the Willamette Meridian; thence, N 0° 13' 35" W 2584.76 feet along the east line of said Donation Land Claim No. 45 to the stone marking the east-northeast corner thereof; thence, N 0° 13' 35" W 96.25 feet to a point marked by an iron pin; thence, S85° 03' 06" W 676.52 feet to an iron pin set on the southerly right of way line of the proposed State Highway; thence, S 48° 23' 59" W 126.63 feet along said right of way line to an iron pin opposite to and 100.00 feet southeasterly from proposed centerline station 257+39.33 P.T.; thence, S 47° 04' 15" W 460.67 feet continuing along said right of way line to an iron pin opposite centerline station 262+00 P.T.; thence, S 48° 39' 44" W 261.75 feet continuing along the southerly right of way line of said highway to a point marked by an iron pin; thence, S 0° 13' 35" E 2059.09 feet to an iron pin set on the south line of said Mulholland Donation Land Claim No. 45; thence, N 89° 41' 06" E 1305.00 feet to the point of beginning in Lane County, Oregon, containing 75 acres, more or less.

2. PURCHASE PRICE AND TERMS: The purchase price of the property, which Purchaser agrees to pay as follows, shall be the sum of

THIRTY THOUSAND AND NO/100 DOLLARS (\$30,000.00), payable as follows:

- (a) The sum of \$500.00 paid upon execution of this agreement, the receipt of which is hereby acknowledged; ✓
- (b) The sum of \$500.00 due on January 1, 1972; ✓
- (c) The sum of \$4,000.00 due on January 1, 1974; ✓
- (d) The sum of \$1,200.00 due on January 1, 1975, ✓
and the sum of \$1,200.00 due on each and every January 1 thereafter until the entire contract has been paid in full.

3. INTEREST: Interest shall be paid at the rate of five per cent (5%) per annum on the unpaid balances, and shall be paid every six months. The first interest payment shall be due January 1, 1972. Said interest payments shall be in addition to the payments due on the principal as hereinabove set forth.

or more 4. PREPAYMENT PRIVILEGES: Purchaser shall have the privilege of increasing any monthly payment or prepaying the whole consideration at any time; provided that no additional payments shall be credited as regular future payments nor excuse Purchaser from making the regular monthly payments provided for in this agreement.

5. TAXES: All taxes levied against the above described property for the current tax year (1971-72) shall be paid by Purchaser. Purchaser agrees to pay when due all taxes which are hereafter levied

against the property and all public, municipal and statutory liens which may be hereafter lawfully imposed upon the premises.

6. POSSESSION: Purchaser shall be entitled to possession of the premises immediately upon the execution of this agreement by the parties.

7. IMPROVEMENTS, ALTERATIONS AND REPAIRS: Purchaser agrees that all improvements now located or which shall hereafter be placed on the premises, shall remain a part of the real property and shall not be removed at any time prior to the expiration of this agreement without the written consent of Vendor. Purchaser shall not commit or suffer any waste of the property, or any improvements thereon, or alterations thereof, and shall maintain the property, and all improvements thereon, and all alterations thereof, in good condition and repair. Purchaser shall not otherwise make or cause to be made any improvements or alterations to the property without first obtaining the written consent of Vendor.

8. TITLE INSURANCE: Upon payment of the entire purchase price for the property, as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, Vendor shall deliver an Owner's title insurance policy insuring Purchaser that he has a marketable title, free and clear of liens and encumbrances, excepting matters contained in usual printed exceptions in such title insurance policies, easements, conditions and restrictions of record, liens and encumbrances herein specified, if any, and liens and encumbrances placed upon the property or suffered by Purchaser subsequent to the date of this agreement.

9. COVENANTS OF TITLE: Vendor covenants that they are the owners of the above described property free of all encumbrances.

10. PAYMENT PROVISION: All payments due under this contract, including both principal and interest, shall be made to the Vendor at 83923 N. Cloverdale Road, Creswell, Oregon.

11. DELIVERY OF DEED: Upon payment of the entire purchase price for the property, as provided herein, and performance by Purchaser of all other terms, conditions and provisions hereof, Vendor shall forthwith execute and deliver to Purchaser a good and sufficient deed conveying said property free and clear of all liens and encumbrances, except as above provided and those placed upon the property or suffered by Purchaser subsequent to the date of this agreement.

12. DEFAULT PROVISIONS: In the event that the Purchaser shall fail to perform any of the terms of this agreement, time of payment and performance being of the essence, Vendor shall, at his option, subject to the requirements of notice as herein provided, have the following rights:

- (a) To foreclose this contract by strict foreclosure in equity;
- (b) To declare the full unpaid balance of the purchase price immediately due and payable;
- (c) To specifically enforce the terms of this agreement by suit in equity;
- (d) To declare this agreement null and void as of the date of the breach and to retain as liquidated damages the amount of the payment theretofore made upon said premises. Under this option all

acceleration clause

of the right, title and interest of Purchaser shall revert and re-vest in Vendor without any act of re-entry or without any other act by Vendor to be performed, and Purchaser agrees to peaceably surrender the premises to Vendor, or in default thereof Purchaser may, at the option of Vendor, be treated as a tenant holding over unlawfully after the expiration of a lease and may be ousted and removed as such.

Purchaser shall not be deemed in default for failure to perform any covenant or condition of this contract, other than the failure to make payments as provided for herein, until notice of said default has been given by Vendor to Purchaser and Purchaser shall have failed to remedy said default within 10 days after the giving of the notice. Notice for this purpose shall be deemed to have been given by the deposit in the mails of a certified letter containing said notice and addressed to Purchaser at 35586 E. Hendricks Road, Creswell, Oregon. If Purchaser shall fail to make payment as herein provided and said failure shall continue for more than 30 days after the payment becomes due, Purchaser shall be deemed in default and Vendor shall not be obligated to give notice to Purchaser of a declaration of said default.

13. ATTORNEY FEES: In case litigation is instituted arising directly or indirectly out of this contract, the losing party shall pay to the prevailing party his reasonable attorney fees.

14. REPRESENTATIONS: Purchaser certifies that this contract of purchase is accepted and executed on the basis of his own examination and personal knowledge of the premises and opinion of the value thereof; that no attempt has been made to influence his judgment; that no represen-


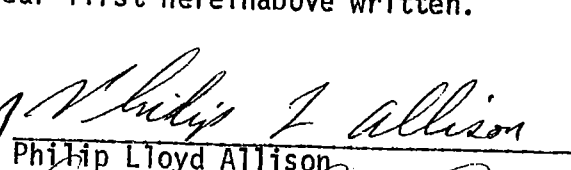
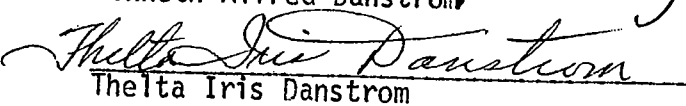
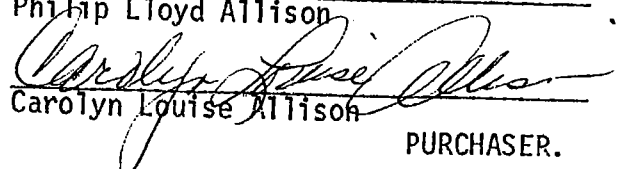
tations as to the condition or repair of said premises have been made by Vendor or by any agent of Vendor; that no agreement or promise to alter, repair, or improve said premises has been made by Vendor or by any agent of Vendor; and that Purchaser takes said property and the improvements thereon in the condition existing at the time of this agreement.

15. WAIVER: Failure by Vendor at any time to require performance by Purchaser of any of the provisions hereof shall in no way affect Vendor's rights hereunder to enforce the same, nor shall any waiver by Vendor of any breach hereof be held to be a waiver of any succeeding breach, or a waiver of this non-waiver clause.

16. ASSIGNMENTS: Purchaser shall not assign this agreement, his rights thereunder or in the property covered thereby without the written consent of Vendor.

17. SUCCESSOR INTERESTS: The covenants and terms of this agreement shall extend to and be binding upon and inure to the benefit of the heirs, administrators, executors and assigns of the parties hereto, provided, however, that nothing contained in this paragraph shall alter the restrictions hereinabove contained relating to assignment.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate as of the day and year first hereinabove written.

| | |
|--|--|
|  Kenneth Alfred Danstrom |  Philip Lloyd Allison |
|  Theta Iris Danstrom |  Carolyn Louise Allison |
| VENDOR | PURCHASER. |

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ASSIGNMENT OF LAND SALE CONTRACT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, for the consideration hereinafter stated, do hereby assign and set over unto PHILIP L. ALLISON AND CAROLYN L. ALLISON, TRUSTEES, OR THEIR SUCCESSORS IN TRUST, UNDER THE ALLISON LOVING TRUST DATED JUNE 27, 1991, AND ANY AMENDMENTS THERETO, all of their right, title and interest in and to that Contract of Land Sale dated July 1, 1971, by and between KENNETH ALFRED DANSTROM and THELTA IRIS DANSTROM, Husband and Wife, Vendor, and PHILIP L. ALLISON AND CAROLYN L. ALLISON, Husband and Wife, Purchaser, which Memorandum was recorded December 7, 1982, as Instrument No. 8236675, Reel ~~XXXXXXXXXXXXXXXXXXXX~~ Page 1222R, in the Official Records of Lane County, Oregon, said real property described as follows, to-wit:

4399JUL.11'91#07REC 10.00

Beginning at the iron pin marking the southeast corner of the Thomas Mulholland Donation Land Claim No. 45 in Township 19 South, Range 2 West of the Willamette Meridian; thence N 0° 13' 35" W 2584.76 feet along the east line of said Donation Land Claim No. 45 to the stone marking the east-northeast corner thereof; thence, N 0° 13' 35" W 96.25 feet to a point marked by an iron pin; thence, S 85° 03' 06" W 676.52 feet to an iron pin set on the southerly right of way line of the proposed State Highway; thence, S 48° 23' 59" W 126.63 feet along said right of way line to an iron pin opposite to and 100.00 feet southeasterly from proposed centerline station 257+39.33 P.T.; thence, S 47° 04' 15" W 460.67 feet continuing along said right of way line to an iron pin opposite centerline station 262+00 P. T.; thence, S 48° 39' 44" W 261.75 feet continuing along the southerly right of way line of said highway to a point marked by an iron pin; thence, S 0° 13' 35" E 2059.09 feet to an iron pin set on the south line of said Mulholland Donation Land Claim No. 45; thence, N 89° 41' 06" E 1305.00 feet to the point of beginning in Lane County, Oregon, containing 75 acres more or less.

4399JUL.11'91#07PFUND 10.00
4399JUL.11'91#07A&T FUND 20.00

IN WITNESS WHEREOF, the undersigned has hereunto set their hands this 27th day of June, 1991.

9132411

Philip L. Allison
PHILIP L. ALLISON

Carolyn L. Allison
CAROLYN L. ALLISON

State of Oregon)
)
) ss.
County of Lane)

Before me this 27th day of June, 1991, personally appeared PHILIP L. ALLISON AND CAROLYN L. ALLISON and acknowledged the foregoing instrument to be their voluntary act and deed.



[Signature]
Notary Public of Oregon
My Commission expires: 10-31-91

Return to:

James H. Smith
1017 N. Riverside, Suite 116
Medford, OR 97501

9132411

State of Oregon,
County of Lane--ss.

I, the County Clerk, in and for the said County, do hereby certify that the within instrument was received for record at

11 JUL 91 8:46
Reel 1706R

Lane County OFFICIAL Records.
Lane County Clerk

By: *John E. Fawcett*
County Clerk

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After recording return to:
James H. Smith
1017 N. Riverside, Suite 116
Medford, OR 97501

3377NOV.03'92#03REC 10.00
3377NOV.03'92#03PFUND 10.00
3377NOV.03'92#03A&T FUND 20.00

ASSIGNMENT OF LAND SALE CONTRACT

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, for the consideration hereinafter stated, do hereby assign and set over unto PHILIP L. ALLISON AND CAROLYN L. ALLISON, TRUSTEES, OR THEIR SUCCESSORS IN TRUST, UNDER THE ALLISON LOVING TRUST DATED JUNE 27, 1991, AND ANY AMENDMENTS THERETO, all of their right, title and interest in and to that Contract of Land Sale dated May 15, 1991, by and between KENNETH ALFRED DANSTROM and THELTA IRIS DANSTROM, Seller, and PHILIP LLOYD ALLISON AND CAROLYN LOUISE ALLISON, Purchaser, which Memorandum was recorded July 1, 1991, as Reception No. 91-30760, Reel 11704, in the Official Records of Lane County, Oregon, said real property described as follows, to-wit:

Beginning at the iron pin marking the southeast corner of the Thomas Mulholland Donation Land Claim No. 45 in Township 19 South, Range 2 West of the Willamette Meridian; thence N 0° 13' 35" West 2681.01 feet along the east line of said Donation Land Claim No. 45 and its northerly extension to an iron pin set in that survey recorded at the Lane County Surveyor's Office under No. 16775 marking the TRUE POINT OF BEGINNING; thence; North 0° 13' 35" 00" West 513.06 feet to a point marked by a reinforcing rod; thence, South 56° 31' West 847.12 feet to a point; thence, South 18° 22' 27" East 109.66 feet to a reinforcing rod set in said Survey No. 16775 to mark its northwest corner; thence, North 85° 03' 06" East 676.52 feet to a true point of beginning in Lane County, Oregon.

9262164

IN WITNESS WHEREOF, the undersigned has hereunto set their hands this 19th day of October, 1992.

Philip L. Allison
PHILIP L. ALLISON

Carolyn L. Allison
CAROLYN L. ALLISON

State of Oregon)
 : SS.
County of Lane)

Before me this 19th day of October, 1992, personally appeared PHILIP L. ALLISON AND CAROLYN L. ALLISON and acknowledged the foregoing instrument to be their voluntary act and deed.



Larry N. Heater
Notary Public of Oregon
My Commission expires: 7-12-95

9262164

State of Oregon,
County of Lane--ss.

I, the County Clerk, in and for the said County, do hereby certify that the within instrument was received for record at

3 NOV 92 9:35

Reel **1802R**

Lane County OFFICIAL Records.
Lane County Clerk

By: Christine Neunshen
County Clerk

CERTIFICATION OF REVOCABLE LOVING® TRUST

I, James H. Smith, declare and state:

1. I am the attorney for PHILIP L. ALLISON and CAROLYN L. ALLISON. I have attached as Exhibit "A" a true and correct copy of the following portions of the ALLISON LOVING® TRUST dated the 27th day of June, 1991:

- 1) Creation of Trust and Identification of Current Trustees
- 2) Statement of Revocability
- 3) Identification of Successor Trustees
- 4) Powers of the Trustees
- 5) Signature Pages

2. THE ALLISON LOVING® TRUST dated the 27th day of June, 1991 is for the benefit of PHILIP L. ALLISON and CAROLYN L. ALLISON and is completely revocable. The Trust pages which are not included as Exhibit "A" to this declaration are of a personal nature and set forth the distribution of the Trustor's estate and in no way modify or affect the Powers of the Trustee.

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Lane County, Oregon, on the 27th day of June, 1991.



James H. Smith

LAW OFFICES OF SMITH & SMITH
James H. Smith, Attorney at Law
1017 N. Riverside, #116
Medford, Oregon 97501
(503) 772-3055

THE ALLISON LOVING® TRUST

Article One

The Creation Of Our Trust

Section 1. Our Trust

We are husband and wife. This is our Loving® Trust, dated June 27, 1991, by PHILIP L. ALLISON, the husband Trustmaker, also known as PHILIP LLOYD ALLISON, CAROLYN L. ALLISON, the wife Trustmaker, also known as CAROLYN LOUISE ALLISON, and the following initial Trustees:

PHILIP L. ALLISON
CAROLYN L. ALLISON

Our Trust is a joint revocable living trust. For purposes of this agreement and for all legal purposes, our trust will be referred to as a Loving® Trust. All references to "our trust" or "trust", unless otherwise stated, shall refer to this Loving® Trust and the trusts created in it. All references to "Trustee" shall refer to our initial Trustee or Trustees, or their successor or successors in trust.

When the term "Trustmaker" is used in our trust, it shall have the same legal meaning as "Grantor", "Settlor", "Trustor", or any other term referring to the maker of a trust.

Notwithstanding anything in our trust to the contrary, when we are serving as Trustees under our trust, either of us may act for and conduct business on behalf of our trust as a Trustee without the consent of any other Trustee.

Section 2. The Name of Our Trust

For convenience, our trust shall be known as the:

ALLISON LOVING® TRUST, dated June 27, 1991

For purposes of beneficiary designations and transfers directly to our trust, our trust shall be referred to as:

PHILIP L. ALLISON and CAROLYN L. ALLISON, Trustees,
or their successors in trust, under the ALLISON LOVING® TRUST
dated June 27, 1991, and any amendments thereto.

Article Four
Administration Of Our Trust
During Our Lives

Section 1. Our Lifetime Powers

While we are both living, we shall have the following powers:

a. Control and Direct Payments

Our Trustee shall distribute or retain the principal and net income of the community estate, if any, as we may direct from time to time. Our Trustee shall distribute or retain the principal and net income of a Trustmaker's separate estate as that Trustmaker shall direct.

Absent directions from us, our Trustee shall distribute the trust income from the community estate, if any, at least monthly and shall distribute the trust income from a Trustmaker's separate estate to that Trustmaker at least monthly.

b. Add or Remove Trust Property

We shall have the absolute right, either individually or jointly, to add to the trust property at any time. A Trustmaker shall also have the absolute right to remove his or her own separate property, in whole or in part, from the trust at any time.

Each of us shall have the absolute right to remove as community property so much of our respective interests in the community estate, if any, as we shall request.

c. Amend and Revoke the Trust

We shall have the absolute right to amend or revoke our trust, in whole or in part, at any time. Any amendment or revocation must be in writing, signed by both of us, and delivered to our Trustee.

This right to amend or revoke is personal to each of us and may not be exercised by a legal representative of either of us. After the death of one of us, this agreement shall not be subject to amendment or revocation.

Article Fifteen

The Resignation, Replacement, And Succession Of Our Trustee

Section 1. The Resignation of a Trustee

Any Trustee may resign by giving thirty days written notice to each of us or to our respective legal representatives. If either us is not living, the notice shall be delivered to the Trustees and to all of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income from any trust created under this agreement.

If a beneficiary is a minor or is legally incapacitated, the notice shall be delivered to that beneficiary's legal representative.

Section 2. The Removal of Trustee

Any Trustee may be removed as follows:

a. Removal by Us

We reserve the right to remove any Trustee at any time, but only if we both agree.

b. Removal by One of Us

After one of us dies or during any period that one of us is disabled and the other Trustmaker is living and is not disabled, the surviving nondisabled Trustmaker may remove any Trustee.

c. Removal by Other Beneficiaries

After the death or incapacity of both of us, a majority of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income under this agreement may remove any Trustee.

d. Notice of Removal

Neither of us, nor any of our beneficiaries, need give any Trustee being removed any reason, cause, or ground for such removal.

Notice of removal shall be effective when made in writing either by:

Personal delivery to the Trustee and securing a written receipt, or

Mailing notice in the United States mails to the last known address of the Trustee by certified mail, return receipt requested.

Section 3. Replacement of Trustees

Whenever a Trustee is removed, dies, resigns, becomes legally incapacitated, or is otherwise unable or unwilling to serve, that Trustee shall be replaced as follows:

a. The Death or Disability of a Trustee While We are Serving as Trustees

We may serve as the only Trustees or we may name any number of Trustees to serve with us. If any of these other Trustees subsequently die, resign, become legally incapacitated, or are otherwise unable or unwilling to serve as a Trustee, we may or may not fill the vacancy, as we both agree.

b. Disability Trustees of PHILIP L. ALLISON

Upon the disability of PHILIP L. ALLISON, the following shall serve as disability Trustee:

CAROLYN L. ALLISON

If the nondisabled Trustmaker is then serving as a Trustee, she shall continue to serve upon the disability of PHILIP L. ALLISON.

If a disability Trustee is unwilling or unable to serve or cannot continue to serve for any other reason, then the following shall be named as successor disability Trustees in the order in which their names appear:

- 1. CATHERINE LINN BETHEL**
- 2. FRED E. BEEBEE**

c. Disability Trustees of CAROLYN L. ALLISON

Upon the disability of CAROLYN L. ALLISON, the following shall serve as disability Trustee:

PHILIP L. ALLISON

If the nondisabled Trustmaker is then serving as a Trustee, he shall continue to serve upon the disability of CAROLYN L. ALLISON.

If a disability Trustee is unwilling or unable to serve or cannot continue to serve for any other reason, then the following shall be named as successor disability Trustees in the order in which their names appear:

- 1. CATHERINE LINN BETHEL**
- 2. FRED E. BEEBEE**

d. Death Trustees of PHILIP L. ALLISON

On the death of PHILIP L. ALLISON, the following Trustee shall replace our initial Trustees, if they are then serving, or our disability Trustees, if she is then serving:

CAROLYN L. ALLISON

If the surviving Trustmaker is then serving as a Trustee, she shall continue to serve upon the death of PHILIP L. ALLISON.

If a death Trustee is unwilling or unable to serve as a Trustee or cannot continue to serve for any other reason, then the following shall be named as successor death Trustees in the order in which their names appear:

- 1. CATHERINE LINN BETHEL**
- 2. FRED E. BEEBEE**

e. Death Trustees of CAROLYN L. ALLISON

On the death of CAROLYN L. ALLISON, the following Trustee shall replace our initial Trustees, if they are then serving, or our disability Trustees, if he is then serving:

PHILIP L. ALLISON

If a death Trustee is unwilling or unable to serve as a Trustee or cannot continue to serve for any other reason, then the following shall be named as successor death Trustees in the order in which their names appear:

1. CATHERINE LINN BETHEL
2. FRED E. BEEBEE

f. Successor Trustees

If a successor Trustee is unwilling or unable to serve during the period in which I am disabled or after my death, the next following successor Trustee shall serve until the successor Trustees so named have been exhausted.

A Trustee may be listed more than once in this Section 3 or an initial Trustee may also be named as a disability Trustee or a Trustee who will serve at death. Naming a Trustee more than once is done as a convenience only and is not to be construed as a termination of that Trustee's trusteeship.

g. Unfilled Trusteeship

In the event no named Trustees are available, a majority of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income under this agreement shall forthwith name a corporate fiduciary.

If a majority of the beneficiaries then eligible to receive mandatory or discretionary distributions of net income under this agreement cannot agree on a corporate fiduciary, any beneficiary can petition a court of competent jurisdiction, ex parte, to designate a corporate fiduciary as a Trustee.

The court that designates the successor Trustee shall not acquire any jurisdiction over any trust created under this agreement, except to the extent necessary to name a corporate fiduciary as a successor Trustee.

Section 4. Corporate Fiduciaries

Any corporate fiduciary named in this trust agreement or appointed by a court of competent jurisdiction as a Trustee must be a bank or trust company situated in the United States having trust powers under applicable federal or state law.

Section 5. Powers and Liabilities of Successor Trustee

Any successor Trustee, whether corporate or individual, shall have all of the rights, powers, and privileges, and be subject to all of the obligations and duties, both discretionary and ministerial, as given to the original Trustee.

Any successor Trustee shall be subject to any restrictions imposed on the original Trustee.

No successor Trustee shall be required to examine the accounts, records and acts of any previous Trustee. No successor Trustee shall in any way be responsible for any act or omission to act on the part of any previous Trustee.