

FOR VALUE RECEIVED, J. BRUCE OWENS and E. MARIE OWENS, herein referred to as GRANTORS, hereby convey and specially warrant to UNITED STATES NATIONAL BANK OF OREGON, herein referred to as GRANTEE, the following described real property, with tenements, hereditaments, and appurtenances, free and clear of liens and encumbrances not of record created or suffered by Grantors, and except those exceptions listed in that certain preliminary title report of Lawyer's Title Insurance Corporation, dated May 19, 1988, report number 19782-K, to-wit:

PARCEL 1: Township 39 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon:
Section 34: E $\frac{1}{2}$; E $\frac{1}{2}$ W $\frac{1}{2}$. 3922 00000 00300

PARCEL 2: Township 40 South, Ranch 12 East of the Willamette Meridian, Klamath County, Oregon:
Section 2: Government lots 9, 10, 11 and 12 and the SW $\frac{1}{4}$ NW $\frac{1}{4}$; Section 3: The N $\frac{1}{2}$ NE $\frac{1}{4}$; the N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$; the SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$; the N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$; the NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$.

That this Deed is intended as a conveyance, absolute in legal effect as well as in form, of the title to said premises to Grantee and not as a Mortgage, Trust Deed or security device of any kind that possession of said premises is hereby surrendered to said Grantee and that in executing this Deed the Grantors are not acting under any misapprehension as to the effect thereof nor under any duress, undue influence or misrepresentation by the Grantee or its agents or attorney.

This deed does not effect a merger of the fee ownership and the lien of the Mortgage, in favor of United States National Bank of Oregon dated September 29, 1983, recorded September 30, 1983 in Vol. M-83 at page 16885 of the Microfilm Records of Klamath County, Oregon. The fee and the lien of the Mortgage shall hereafter remain separate and distinct. Grantee reserves its right to foreclose the Mortgage at any time as to any entity that now has, or hereafter acquires, any right, interest, lien, or claim to said premises.

True consideration for this conveyance is a Settlement Agreement of even date.

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.

Tax Acct. #3911-00000 09300

Dated this 27th day of May, 1988.

4012 00000 00300 Portion of
parcel 2 and other property
4012 00000 00400 Portion

J. Bruce Owens
J. Bruce Owens

E. Marie Owens
E. Marie Owens

STATE OF OREGON, County of Klamath) ss.

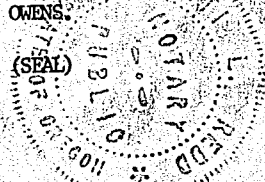
The foregoing instrument was acknowledged before me this 27th day of May, 1988, by J. BRUCE OWENS.



Kristi L. Redd
Notary Public for Oregon
My Commission expires: 11/16/91

STATE OF OREGON, County of Klamath) ss.

The foregoing instrument was acknowledged before me this 27th day of May, 1988, by E. MARIE OWENS.



Kristi L. Redd
Notary Public for Oregon
My Commission expires: 11/16/91

AFTER RECORDING, RETURN TO:
United States National Bank of Oregon
740 Main Street
Klamath Falls, OR 97601

Until a change is requested, send tax statement to:
United States National Bank of Oregon
740 Main Street
Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 27th day
of May, 19 88 at 4:36 o'clock P.M., and duly recorded in Vol. 8364
of Deeds on Page 8364
By Evelyn Diehn County Clerk

FEE \$10.00

By Bernetha L. Ketch

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