

WARRANTY DEED

The STATE OF OREGON, by and through the Director of Veterans' Affairs, and LINDA J. COLLINS, husband and wife conveys and warrants unto CLYDE COLLINS, grantee, the following described real property free of encumbrances except as specifically set forth herein situated in Klamath County, State of Oregon, to wit:

The SW1/4NE1/4, S1/2SE1/4NE1/4, N1/2SE1/4, and E1/2SE1/4SE1/4, Less the South 628 feet thereof, of Section 22, Township 38 South, Range 11 1/2 East of the Willamette Meridian, SAVING AND EXCEPTING that portion lying within the county road.

Together with the following described mobile home which is firmly affixed to the property: 1970 Brookwood, Serial #B20442FLR 1912.

Together with water rights certificate #42503.

Excepting and reserving to itself, its successors, and assigns, all minerals, as defined in ORS 273.775(1), and including soil, clay, stone, sand and gravel and all geothermal resources, as defined in ORS 273.775(2), together with the right to make such use of the surface as may be reasonably necessary for prospecting for, exploring for, mining, extracting, reinjecting, storing, drilling for and removing such minerals and geothermal resources; provided, however, that the rights hereby reserved to use the surface for any of the above activities shall be subordinate to that use of the surface of the premises deeded herein, or any part thereof, being made by the owner thereof on the date the State of Oregon leases its reserved minerals or geothermal resources; in the event of such use of the premises by a surface rights owner would be damaged by one or more of the activities described above then such owner shall be entitled to compensation from the State's lessee to the extent of the diminution in value of the surface rights owner's interest.

## SUBJECT TO:

1. Tax account No. 0054050, 0484078, and 0484096.
2. Any redemption related to the foreclosure of that certain mortgage dated May 3, 1977, wherein Benny W. Tofell and Barbara K. Tofell were the mortgagor.
3. The assessment roll and tax roll disclose that the within described premises were specially assessed as farm land. Taxes for the year 1986-87 and possibly prior years have been deferred pursuant to ORS 308.370 to 308.403. These, plus earned interest are due and payable when said reason for the deferment no longer exists.
4. Acreage and use limitations under provisions of United States Statutes and regulations issued thereunder.
5. Liens and assessments of Klamath Project and Horsefly Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.

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6. Rights of the public in and to any portion of the herein described property lying within the boundaries of public roads or highways, ditches, canals or utility easements.
7. Right of way, including the terms and provisions thereof, given by C. H. Sewald and Lillian F. Sewald, husband and wife, to The California Oregon Power Company, dated March 10, 1949, recorded March 16, 1949, in Volume 229 Page 420, Deed records of Klamath County, Oregon, being a right of way for pole line.
8. Reservations and restrictions in deed from the United States of America to Clifford H. Seward, dated July 1, 1974, recorded July 22, 1974, in Volume M-74 on Page 8899, Deed records of Klamath County, Oregon, as follows: "A right of way thereof for ditches or canals constructed by the authority of the United States Act of August 30, 1890 26 Stat. 391; 43 U.S.C. 945." Pertains to portions of of E1/2SE1/4SE1/4.

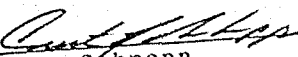
TO HAVE AND TO HOLD said real property unto said grantees, their heirs and assigns forever.

"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 USES."

IN WITNESS WHEREOF, the Director of Veterans' Affairs has caused these presents to be executed this 22nd day of March, 1989.

The true and actual consideration for this conveyance is \$150,000.  
The foregoing recital of consideration is true as I verily believe.

STATE OF OREGON  
Jon A. Mangis  
Director of Veterans' Affairs

By:   
Curt R. Schnepf  
Manager, Accounts Services

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STATE OF OREGON )  
                          )ss  
County of Marion)

Before me, a Notary Public, personally appeared the above-named  
Curt R. Schnepf, authorized to act on behalf of the duly appointed and  
acting Director of Veterans' Affairs for the STATE OF OREGON, and  
acknowledged the foregoing instrument to be his voluntary act and  
deed.

WITNESS my hand and official seal the day and year last above written.



Diane Eberhart  
Notary Public for Oregon  
My Commission expires: 1-2-93

Return and Mail Tax Statements to:  
Mr. & Mrs. Clyde Collins  
14815 S Braodway  
Gardenia, CA 90246  
de/eab/

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

Klamath County Title Co.  
on this 11th day of April A.D. 19 89  
at 9:57 o'clock AM. and duly recorded  
in Vol. M89 of Deeds Page 6103

Evelyn Biehn  
By Dorinda M. [Signature] County Clerk

Fee, \$18.00

Deputy.