The STATE OF OREGOIL, by and through the Director of Veterans' Affairs, grantor, conveys and specially warrants unto Denny R. Zillmer, a single man, grantee(s), the following described real property free of encumbrances created or suffered by the grantor on or before September 30, 1983, except as specifically set forth herein situated in Klamath County, State of Oregon, to wit:

Lot 5, Block 1, TRACT 1164, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

TOGETHER WITH THE FOLLOWING DESCRIBED MOBILE HOME WHICH IS FIRMLY AFFIXED TO THE PROPERTY: Year/1979, Make/Waldn, Serial Number/11.809401, Size/24x56.

Excepting and reserving to itself, its successors, and assigns, all minerals, as defined in ONS 273.775(1), and including soil, clay, stone, sand and gravel and all geothermal resources, as defined in ONS 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, ably necessary for prospecting for and removing such minerals and geother-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 being made by the owner thereof on the date the State of or such use of the 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 lesses to the extent of the dimunition in value of the surface rights owner's interest.

SUBJECT TO:

1. Any taxes for 1990-01 when due or payable.

2. Any Right of Redemption as Provided by Law.

TO HAVE AND TO HOLD said real property unto said grantee(s), their heirs and assigns forever.

"THIS INSTRUMENT WILL NOT MALON 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 5th day of October, 1990.

"Special Warranty Deed Page 2 CO2068

The true and actual consideration for this conveyance is \$40,500.00. The foregoing recital of consideration is true as I verily believe.

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

turt R. Schnepp, Manager
Accounts Services

STATE OF OREGON) SE

Before me, a notary public, personally appeared the above-named Curt R. Schnepp, 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.

Notary Public for Oregon
Ny Commission expires: 05/22/93

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