

STATUTORY BARGAIN AND SALE DEED

FIRST INTERSTATE BANK OF OREGON, N.A., Trustee under Amended and Restated Trust Agreement dated December 13, 1973, as presently stated or hereafter amended, with JOHN RICHARD GRAY as Trustor, GRANTOR, hereby conveys to WILLIAM ADOLPH HANKE and CAROL JANICE HANKE, husband and wife, GRANTEES, the following described real property located in the State of Oregon:

I. Lake County, Oregon.Parcel No. 1:

Township 26 South, Range 15 East of the Willamette Meridian,
Section 33: SE $\frac{1}{4}$.

Parcel No. 2:

Township 28 South, Range 12 East of the Willamette Meridian,
Section 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.
Section 33: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 34: SW $\frac{1}{4}$ SW $\frac{1}{4}$.
Section 36: All of Section.

Township 28 South, Range 13 East of the Willamette Meridian,
Section 21: S $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 25: S $\frac{1}{2}$.
Section 26: E $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 28: NE $\frac{1}{4}$, W $\frac{1}{2}$.
Section 29: NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
Section 30: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$.
Section 31: N $\frac{1}{2}$ NW $\frac{1}{4}$.
Section 32: NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$.
Section 33: NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$.
Section 35: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$.
Section 36: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$.

Township 28 South, Range 14 East of the Willamette Meridian,
Section 30: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Government Lot 3, NW $\frac{1}{4}$ SE $\frac{1}{4}$,
EXCEPTING therefrom the following: Beginning at the Southeast corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 30, running thence West 209 feet; thence North 209 feet; thence East 209 feet; thence South 209 feet to the place of beginning.

Township 28 South, Range 19 East of the Willamette Meridian,
Section 36: SW $\frac{1}{4}$.

Township 29 South, Range 12 East of the Willamette Meridian,
Section 1: Government Lots 1, 2, 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
Section 3: Lot 4.
Section 4: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$.
Section 12: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$.

Until a change is requested, all
tax statements shall be sent to:

William Adolph Hanke
Carol Janice Hanke
Mailing: P O Box 69
Silver Lake, OR 97638
Permanent: 365 Weymouth Place
Laguna Beach, CA 92651

Parcel No. 2 (continued):

Township 29 South, Range 13 East of the Willamette Meridian,
 Section 5: S $\frac{1}{4}$ S $\frac{1}{4}$.
 Section 6: Government Lots 4, 5, 6, 7, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{4}$ SE $\frac{1}{4}$.
 Section 7: NE $\frac{1}{4}$, Government Lots 1 and 2, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$.
 Section 8: N $\frac{1}{4}$ N $\frac{1}{4}$.
 Section 18: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$.

Parcel No. 3:

Township 28 South, Range 12 East of the Willamette Meridian,
 Section 27: An undivided 3/5ths interest in the SW $\frac{1}{4}$.

SUBJECT TO the following exceptions:

1. Location of power and telephone lines and public roads.
2. Rights of way for roads and highways, reserved by Lake County, Oregon, a municipal corporation, under that certain deed, including the terms and provisions thereof, recorded in Book 77 at Page 75, Record of Deeds.

Covers the SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Lot 3, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, Township 28 South, Range 14 E.W.M.

3. Rights of way for roads and highways, and all of the coal, oil, gas and minerals on, in or under the land described herein, reserved by Lake County, Oregon, a municipal corporation, under those certain deeds, including the terms and provisions thereof, recorded in Book 97 at Page 321, Book 97 at Page 391, and Book 103 at Page 156, Record of Deeds.

Covers all of Section 36, Township 28 South, Range 12 E.W.M.; SW $\frac{1}{4}$ of Section 36, Township 28 South, Range 19 E.W.M.; NW $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 29 South, Range 13 E.W.M.

4. Reservations and exceptions contained in the deeds from the State of Oregon.
5. Interest of John E. Ferguson, for one half of the minerals on, in or under the SE $\frac{1}{4}$ of Section 33, Township 26 South, Range 15 E.W.M., reserved under that certain deed, including the terms and provisions thereof, recorded in Book 117 at Page 457, Record of Deeds.
6. Interest of J. A. Dudrey, for one half of the minerals on, in or under the SE $\frac{1}{4}$ of Section 33, Township 26 South, Range 15 E.W.M., reserved under that certain deed, including the terms and provisions thereof, recorded in Book 138 at Page 124, Record of Deeds.
7. As disclosed by the tax roll, the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest.

The true consideration for this conveyance is Five Hundred Ninety Thousand and No/100 Dollars (\$590,000).

II. Klamath County, Oregon.

The following property situate in Township 27 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon:

Section 10: SE $\frac{1}{4}$ SE $\frac{1}{4}$
 Section 11: SW $\frac{1}{4}$ SW $\frac{1}{4}$
 Section 14: E $\frac{1}{4}$ W $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$
 Section 23: NE $\frac{1}{4}$ NW $\frac{1}{4}$

SUBJECT TO the following exceptions:

1. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.

2. The assessment roll and the tax roll disclose that the premises herein described have been specially assessed as Farm Use Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied; in addition thereto, a penalty may be levied if notice of disqualification is not timely given.

3. An easement created by instrument, subject to the terms and provisions thereof, dated February 1, 1974, recorded February 5, 1974, in Volume M74, page 1247, Microfilm Records of Klamath County, Oregon, from First National Bank of Oregon, Guardian for John R. Gray, a National Banking Association, to United States of America.

4. The public record does not describe a means of ingress and egress to and from a legally dedicated road or highway to the premises.

The true consideration for this conveyance is Ten Thousand and No/100 Dollars (\$10,000).

Grantor sells the property referenced in this deed and any improvements on the property (the "Property") in "AS IS" condition. By accepting this deed, Grantees acknowledge that Grantor has made no representations or warranties concerning the Property, that Grantees have been advised by Grantor to have the Property inspected by professional inspectors, that Grantees have conducted every inspection of the Property that Grantees desire to make, and that Grantees accept the Property with every defect, even if the defect is material.

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.

DATED this 27th day of February, 1992.

FIRST INTERSTATE BANK OF OREGON,
 N.A., formerly known as First
 National Bank of Oregon, Trustee
 for John Richard Gray Trust

By:


 Michael S. Macnab
 Assistant Vice President

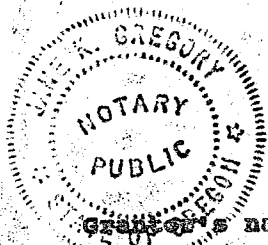
By:


 Mark H. Graulich
 Assistant Vice President

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On the 27th day of February, 1992, personally appeared the above-named MICHAEL S. MACNAB and MARK H. GREULICH, who, being duly sworn, did say that they are Assistant Vice Presidents of FIRST INTERSTATE BANK OF OREGON, N.A., Trustee, and acknowledged the foregoing instrument to be their voluntary act and deed on behalf of said Trustee.

Before me:



Notary Public for Oregon

My commission expires:

My commission expires: 6-9-92

Grantor's name and address:

First Interstate Bank of
Oregon, N.A., Trustee
Agribusiness Department
Post Office Box 2971
Portland, OR 97208-0041

Grantees' names and address:

William Adolph Hanke
Carol Janice Hanke
Mailing: P O Box 69
Silver Lake, OR 97638
Permanent: 365 Weymouth Place
Laguna Beach, CA 92651

After recording return to:

William E. Scarborough, Jr.
Attorney at Law
5410 SW Macadam Avenue
Suite 100
Portland, OR 97201

lg:WES\Pitcher.D02

STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of Mountain Title Co. the 6th day
of March A.D., 19 92 at 8:38 o'clock A M., and duly recorded in Vol. M92,
of Deeds on Page 4601.

FEE \$45.00

Evelyn Biehn County Clerk

By Caroline M. Pennington