

KNOW ALL MEN BY THESE PRESENTS, That
JOHN H. SMITH and NANCY G. SMITH

hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by JAMES CAYLOR and VIRGINIA DOWLING, with the rights of survivorship, hereinafter called the grantee, does hereby grant, bargain, sell and convey unto the said grantee and grantee's heirs, successors and assigns, the certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or appertaining, situated in the County of KLAMATH and State of Oregon, described as follows, to-wit:

Lots 4 and 5 in Block 7 of HILLSIDE ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

MOUNTAIN TITLE COMPANY

"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." AND TO DETERMINE ANY

LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930." to Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.

And said grantor hereby covenants to and with said grantee and grantee's heirs, successors and assigns, that grantor is lawfully seized in fee simple and the above granted premises, free from all encumbrances except those of record and those apparent upon the land, if any, as the date of this deed

and that grantor will warrant and forever defend the said 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 120,000.00

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

In Witness Whereof, the grantor has executed this instrument this 21 day of January, 1994, if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

STATE OF OREGON
County of Klamath
January 21, 1994

John H. Smith
JOHN H. SMITH

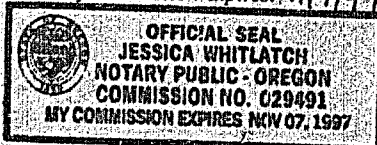
Nancy G. Smith
NANCY G. SMITH by her attorney in fact
JOHN H. SMITH

Personally appeared the above named
JOHN H. SMITH individually and as attorney in fact for
NANCY G. SMITH

and acknowledged the foregoing instrument
to be their voluntary act and deed.

Before me:

Jessica Whitlatch
Notary Public for Oregon
My commission expires: 11/7/97



STATE OF OREGON, County of _____) ss.
The foregoing instrument was acknowledged before me this
_____, 19____, by _____
_____, president, and by _____
_____, secretary of _____

a _____ corporation, on behalf of the corporation.

Notary Public for Oregon _____
My commission expires: _____ (SEAL)

JOHN H. SMITH and NANCY G. SMITH
9591 BATTLE PT. DR.
N.E. PAINEBRIDGE ISLAND, WA 98110

GRANTOR'S NAME AND ADDRESS
JAMES CAYLOR and VIRGINIA DOWLING
1545 PACIFIC TERRACE
KLAMATH FALLS, OR 97601

GRANTEE'S NAME AND ADDRESS
JAMES CAYLOR and VIRGINIA DOWLING
1545 PACIFIC TERRACE
KLAMATH FALLS, OR 97601

NAME, ADDRESS, ZIP
JAMES CAYLOR and VIRGINIA DOWLING
1545 PACIFIC TERRACE
KLAMATH FALLS, OR 97601

Printed a change to registered all my documents shall be sent to the following address:

SPACE RESERVED

FUR
RECORDERY USE

STATE OF OREGON,

County of Klamath ss.

I certify that the within instrument was received for record on the 25th day of January, 1994 at 9:22 o'clock A.M. and recorded in book M94 on page 2369 or as file/reel number 74872

Record of Deeds of said county

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk

By Annette Mueller Recording Officer Deputy

\$30.00