

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That RUSSELL O. PALMER & ANN B. PALMER, TRUSTEES OF THE PALMER FAMILY LIVING TRUST hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by DONALD E. BAILEY and GEORGE A. PONDELLA, JR. as tenants in common, 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:

The SW1/4 of the NE1/4 and the SE1/4 of the NE1/4 of Section 35, Township 34 South, Range 8 East of the Willamette Meridian, 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 \$ 64,000.00.
~~However, the actual consideration consists of or includes other property or value given or promised which is the whole or part of the consideration (indicate which) (The sentence between the symbols, if not applicable, should be deleted - See ORS 93.030.)~~

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 30th day of September, 19 94; 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) ss.
September 30, 19 94

THE PALMER FAMILY LIVING TRUST
by: Russell O. Palmer
RUSSELL O. PALMER, Trustee

Personally appeared the above named RUSSELL O. PALMER & ANN B. PALMER, Trustees of THE PALMER FAMILY LIVING TRUST

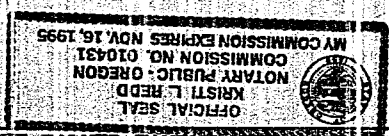
by: Ann B. Palmer
ANN B. PALMER, Trustee

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

Before me: Kristen L. Held
Notary Public for Oregon
My commission expires: 11/16/95

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)



THE PALMER FAMILY LIVING TRUST	
5227 MAZAMA DR	
KLAMATH FALLS OR 97601	
GRANTOR'S NAME AND ADDRESS	
DONALD E. BAILEY & GEORGE A. PONDELLA, JR	
PO BOX 1421	
KLAMATH FALLS OR 97601	
GRANTEE'S NAME AND ADDRESS	
DONALD E. BAILEY & GEORGE A. PONDELLA, JR	
PO BOX 1421	
KLAMATH FALLS OR 97601	
NAME, ADDRESS, ZIP	
DONALD E. BAILEY & GEORGE A. PONDELLA, JR	
PO BOX 1421	
KLAMATH FALLS OR 97601	
NAME, ADDRESS, ZIP	
879	

STATE OF OREGON, _____ ss.
County of Klamath
I certify that the within instrument was received for record on the 3rd day of Oct, 19 94, at 11:19 o'clock A. M., and recorded in book M94 on page 30785 or as file/reel number 89066, Record of Deeds of said county.
Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
Recording Officer
By Shirley Miller Deputy

Fee \$30.00