

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That ORVILLE E. SHORTS AND DONNA J. SHORTS, HUSBAND AND WIFE

hereinafter called the grantor, for the consideration hereinafter stated, to grantor paid by MITCHELL & BOUCE, INC., AN OREGON CORPORATION 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:

SEE ATTACHED LEGAL DESCRIPTION EXHIBIT "A" WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

TOGETHER WITH a 1972 SHELBY MOBILE HOME WITH LICENSE PLATE #X83929 which is situate on the real property described herein and a 1973 CONCORD MOBILE HOME WITH LICENSE PLATE #X85281 which is situate on the real property described herein.

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 to the land, if any, as of 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 \$ 240,000.00. However, the actual consideration consists of or includes other property or value given or promised which is the whole 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 27th day of October, 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, ss. 10/27/94

Personally appeared the above named ORVILLE E. SHORTS and DONNA J. SHORTS

ORVILLE E. SHORTS

DONNA J. SHORTS

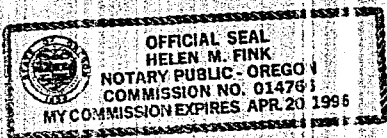
and acknowledged the foregoing instrument to be THEIR voluntary act and deed.

Before me:

Notary Public for Oregon My commission expires:

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)



ORVILLE E. SHORTS & DONNA J. SHORTS

13257 HUMMINGBIRD

BONANZA, OR 97623

MITCHELL & BOUCE, INC.,

64900 HUNNELL ROAD

BEND, OR 97701

MITCHELL & BOUCE, INC.

64900 Hunnell Rd.

Bend OR 97701

MITCHELL & BOUCE, INC.

64900 Hunnell Rd.

Bend OR 97701

STATE OF OREGON,

County of ss. I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book on page or as file/reel number Record of Deeds of said county. Witness my hand and seal of County affixed.

By Recording Officer Deputy

The N1/2 of the E1/2 of the NE 1/4 of the NE1/4, Section 12, Township 29 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING any portion contained in the rights of way of The Dalles California Highway U.S. 97 and East Diamond Lake Highway State 230.

Subject to:

Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advance as may be provided therein;

Dated: November 18, 1985

Recorded: November 22, 1985

Volume: M85, page 18950, Microfilm Records of Klamath County, Oregon

Amount: \$102,000.00

Grantor: Wilbur C. Osterberg and Sharon C. Osterberg, husband and wife

Trustee: Mountain Title Company of Klamath County

Beneficiary: Elaine Lynn

The beneficial interest under said Trust Deed was assigned by instrument;

Recorded: May 31, 1988

Volume: M88, page 8441, Microfilm Records of Klamath County, Oregon

From: Elaine Lynn

To: Arthur M. Lynn

The beneficial interest under said Trust Deed was assigned by instrument;

Recorded: February 17, 1989

Volume: M89, page 3072, Microfilm Records of Klamath County, Oregon

From: Arthur M. Lynn

To: American Equities, Inc., a Washington corporation

The beneficial interest under said Trust Deed was assigned by instrument;

Recorded: February 24, 1989

Volume: M89, page 3384, Microfilm Records of Klamath County, Oregon

From: American Equities, Inc.

To: Craig A. Schafer

The beneficial interest under said Trust Deed was assigned by instrument;

Recorded: October 23, 1989

Volume: M89, page 20169, Microfilm Records of Klamath County, Oregon

From: Craig A. Schafer

To: American Equities, Inc. a Washington corporation

(This assignment contains an incorrect Volume and page)

The beneficial interest under said Trust Deed was assigned by instrument;

Recorded: October 23, 1989

Volume: M89, page 20170, Microfilm Records of Klamath County, Oregon

From: American Equities, Inc., a Washington corporation

To: Dolores Ann Baldasare

(This assignment contains an incorrect Volume and page)

The beneficial interest under said Trust Deed was assigned by instrument;

Dated: August 15, 1990

Recorded: August 29, 1990

Volume: M90, page 17265, Microfilm Records of Klamath County, Oregon

From: American Equities, Inc.

To: Northwest National Bank

The beneficial interest under said Trust Deed was assigned by instrument;

Dated: January 25, 1994

Recorded: January 28, 1994

Volume: M94, page 3319, Microfilm Records of Klamath County, Oregon

From: Northwest National Bank

To: American Equities, Inc.

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The beneficial interest under said Trust Deed was assigned by instrument;
 Dated: February 7, 1994
 Recorded: April 8, 1994
 Volume: M94, page 10493, Microfilm Records of Klamath County, Oregon
 From: Dolores Ann Baldasare
 To: American Equities, Inc.

The beneficial interest under said Trust Deed was assigned by instrument;
 Recorded: April 8, 1994
 Volume: M94, page 10494, Microfilm Records of Klamath County, Oregon
 From: American Equities, Inc.
 To: James C. Howland Trust, James C. Howland Trustee

Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advance as may be provided therein;
 Dated: March 30, 1990
 Recorded: April 16, 1990
 Volume: M90, page 7064, Microfilm Records of Klamath County, Oregon
 Amount: \$135,000.00
 Grantor: Nasser Dibavand
 Trustee: Mountain Title Company of Klamath County
 Beneficiary: Wilbur C. Osterberg; and Sharon C. Osterberg, husband and wife

Real Estate Contract, subject to the terms and provisions thereof.
 Dated: October 25, 1991
 A memorandum of which was:
 Recorded: October 30, 1991
 Volume: M91, page 22715, Microfilm Records of Klamath County, Oregon
 Vendor: Nasser Dibavand
 Vendee: Orville E. Shorts and Donna J. Shorts, husband and wife
THE GRANTEEES HEREIN AGREE TO ASSUME AND TO PAY THIS OBLIGATION IS FULL

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 28th day
 of Oct A.D., 19 94 at 3:34 o'clock P M., and duly recorded in Vol. M94
 of Deeds on Page 33592
 FEE \$40.00
 Evelyn Biehn - County Clerk
 By Dorlene Miller