

After recording, mail to: Melvin D. Ferguson, Attorney at Law, 635
Main Street, Klamath Falls, OR 97601

WARRANTY DEED

John Pedersen and Cora Pedersen, Co-trustees of the Pedersen Family Revocable Living Trust dated November 16, 1990, Grantors, convey and warrant to Kenneth D. Pedersen and Susan R. Pedersen, husband and wife, as tenants by the entirety, Grantees, all our right, title and interest in and to the following described property located in Klamath County, Oregon, to-wit:

A parcel of land situated in the East one-half of the Northwest one-quarter of Section 19, Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at a point on the West boundary of the East one-half of the Northwest one-quarter of said Section 19 and on the South right of way line of Matney Road; thence Easterly along said South right of way line, 445.00 feet to the true point of beginning of this description; thence Southerly parallel with said West boundary of the East one-half of the Northwest one-quarter, 590.00 feet; thence Easterly parallel with the South right of way line of said Matney Road, 340.00 feet; thence Northerly parallel with said West boundary of the East one-half of the Northwest one-quarter, 340.00 feet; thence Easterly parallel with the South right of way line of said Matney Road, 215.00 feet, more or less to a point on the West right of way line of the Klamath Irrigation District "C" Canal; thence North and Northwesterly along said West right of way line, 250.00 feet to a point on the South right of way line of said Matney Road; thence Westerly along said South right of way line, 555.00 feet to the true point of beginning of this description.

Subject to:

1. a. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
b. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. a. Easements, liens, encumbrances, interests or claims thereof which are not shown by any public records.
b. Any facts, right, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or by making inquiry of persons in possession hereof.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
4. a. Unpatented mining claims.
b. Reservations or exceptions in patents or in Acts authorizing the issuance thereof.
c. Water rights, claims or title to water: whether or not the matters excepted under (a), (b), or (c) are shown by public record.
5. Any lien or right to a lien, for services, labor or materials heretofore or hereafter furnished, imposed by law and not shown by the public records.

6. Taxes for the fiscal year 1994-1995, partially paid.
 Account No.: 4010-01900-00400 Key No.: 738483
 Original Amount: \$870.61 Code No.: 166
 Unpaid Balance: \$580.40 plus interest
7. Mobile Home Taxes for the fiscal year 1994-1995, partially paid.
 Account No.: M-192456 Key No.: 860385
 Original Amount: \$366.64 Code No.: 166
 Unpaid balance: \$244.42 plus interest
8. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
9. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Basin Improvement District.
10. The premises herein described are within and subject to the statutory powers, including the power of assessment, of Klamath Irrigation District.
11. 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.
12. Reservations and restrictions as contained in Deed from Albert C. Bunnell and Laura G. Bunnell, husband and wife, to William S. Duncan and Clair F. Duncan, husband and wife, recorded February 28, 1923, in Volume 59, page 580, Deed Records of Klamath County, Oregon, as follows:

"The grantors herein reserved one-half of all oil rights under said land or any part thereof."
13. Right of way for "J" Lateral 30 feet in width as granted to United States of America in right of way grant dated July 16, 1912, recorded July 17, 1912, in Volume 37, page 452, Deed Records of Klamath County, Oregon. (Affects NW1/4 of Section 19, Township 40 South Range 10 East of the Willamette Meridian, Klamath County, Oregon.)
14. An easement for 60 foot roadway as granted to Klamath County in Docket recorded June 28, 1910, in Volume 52, page 634, Deed Records of Klamath County, Oregon, and Docket recorded April 18, 1921, in Volume 55, page 547, Deed Records of Klamath County, Oregon.
15. Agreement, subject to the terms and provisions thereof,
 Dated: December 18, 1935
 A memorandum of which was:
 Recorded: January 14, 1936
 Volume: 105, page 532, Deed Records of Klamath County, Oregon
 Between: The United States of America and Joseph Brandejsky and Mary E. Brandejsky, husband and wife
 For: Furnishing irrigation water
16. Any improvement located upon the insured property which is described or defined as a Mobile Home under the provisions of Chapters 803 and 820, Oregon Revised Statutes, and is subject to registration as provided therein.

SUBJECT TO AND EXCEPTING RESERVATIONS, RESTRICTIONS, EASEMENTS, AND RIGHTS OF WAY OF RECORD AND THOSE APPARENT UPON THE LAND.

The consideration for this conveyance is the sum of \$80,000.00.

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 PERSONS 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.

Dated this 26 day of January, 1995.

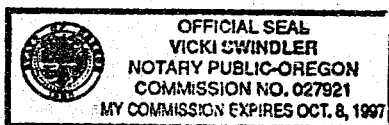
GRANTORS

John Pedersen Trustee
John Pedersen, Trustee

Cora Pedersen Trustee
Cora Pedersen, Trustee

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared the above-named John Pedersen and Cora Pedersen and acknowledged the foregoing instrument to be their voluntary act. Before me this 26 day of January, 1995.



Vicki Swindler
Notary Public for Oregon
My Commission Expires: 10-8-97

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Melvin Ferguson the 3rd day
of Feb A.D., 19 95 at 11:25 o'clock A M., and duly recorded in Vol. M95
of Deeds on Page 2566

FEE \$40.00

Bernetha G. Letsch, County Clerk

By Pauline Swindler