

WARRANTY DEED

GLADYS E. SMITH and VIOLET FISHER, Trustees of THE GLADYS E. SMITH TRUST, Grantors, convey and warrant to GLADYS E. SMITH, VIOLET FISHER and ARDELLA SEAY, Trustees of THE GLADYS E. SMITH TRUST as amended by the FIRST AMENDMENT TO THE GLADYS E. SMITH TRUST dated October 22, 1996, Grantees, the following described real property free of encumbrances except as specifically set forth herein:

See Exhibit "A" attached hereto

Grantors covenant that Grantors are seized of an indefeasible estate in the real property described above in fee simple, that Grantors have good right to convey the property, that the property is free from encumbrances except as specifically set forth herein, and that Grantors warrant and will defend the title to the property against all persons who may lawfully claim the same by, through, or under Grantors, provided that the foregoing covenants are limited to the extent of coverage available to Grantors under any applicable standard or extended policies of title insurance, it being the intention of the Grantors to preserve any existing title insurance coverage.

The true consideration for this conveyance is \$0.00.

Dated this 30th day of October, 1996.

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 USES.

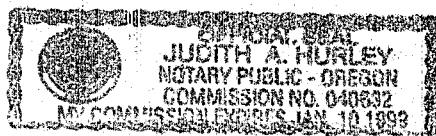
Gladys E. Smith
GLADYS E. SMITH, Trustee

Violet F. Fisher
VIOLET FISHER, Trustee

STATE OF OREGON)
) ss.
County of Klamath)

The foregoing instrument was acknowledged before me this 30th day of October, 1996, by GLADYS E. SMITH.

Judith A. Hurley
Notary Public for Oregon
My Commission Expires: 1-10-99



STATE OF Washington)
 County of Skamania) ss.

19th The foregoing instrument was acknowledged before me this
 day of November, 1996, by VIOLET FISHER.

Jan C. Kiepiński
Jan C. Kiepiński
 Notary Public for the State of Washington
 My Commission Expires: 4-28-98

GRANTORS' NAMES AND ADDRESS:

Gladys E. Smith and Violet
 Fisher, Trustees
 515 Upham Street
 Klamath Falls, OR 97601

GRANTEES' NAMES AND ADDRESS:

Gladys E. Smith, Violet Fisher
 and Ardella Seay, Trustees
 515 Upham Street
 Klamath Falls, OR 97601

AFTER RECORDING RETURN TO:

Jerry M. Molatore
 426 Main Street
 Klamath Falls, OR 97601

UNTIL A CHANGE IS REQUESTED,
 ALL TAX STATEMENTS SHALL BE
 SENT TO THE FOLLOWING ADDRESS:

Gladys E. Smith, Trustee
 515 Upham Street
 Klamath Falls, OR 97601

STATE OF OREGON)
 County of Klamath) ss.

I certify that the within
 instrument was received for
 record on the _____ day of
 _____, 1996, at _____
 o'clock, _____ m., and recorded in
 book/reel/volume No. _____ on
 page _____ or as fee/file/
 instrument/microfilm/reception
 No. _____, Record of Deeds
 of said county.

Witness my hand and seal
 of County affixed.

Name _____ Title _____
 By _____ Deputy _____

EXHIBIT "A"

A tract of land situated in Lot 2, Section 15, Township 34 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon and being more particularly described as follows:

Beginning at the Northwest corner of Section 15, T. 34 S., R. 7 E. W.M. and running thence N.89°42'15"E. 400.0 feet; thence South 62.42 feet; thence S.50°43'50"E. 193.0 feet and the true point of beginning of this description; thence S.39°16'10"W. 408.35 feet to a point on the Northeasterly bank of Williamson River; thence N.56°00'W. 110.47 feet; thence N.39°16'10"E. 418.49 feet, thence S.50°43'50"E. 110.0 feet, more or less, to the true point of beginning of this description.

SUBJECT TO: Reservations and restrictions of record, easements and rights of way of record and those apparent on the land.

FAIRVIEW NO. 2, the easterly 88 feet of Lot 7 and 8 of Block 16 and also one-half vacated alley adjacent thereto, in Klamath County, Oregon.

SUBJECT TO: Reservations and restrictions of record, easements and rights of way of record and those apparent on the land.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Jerry Molatore the 5th day
of December A.D., 1996 at 3:33 o'clock P. M., and duly recorded in Vol. M96
of Deeds on Page 38060.

Bernetha G. Letsch, County Clerk

By Kathleen Rose

FEE \$40.00