

RETURN TO: ERNST BROTHERS LLC P. O. BOX 637 GILCHRIST, OR 97210	TAX STATEMENT TO: ERNST BROTHERS LLC P. O. BOX 637 GILCHRIST, OR 97210	CLERK'S STAMP:
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ARC # P 47130
 -WARRANTY DEED-

South Valley State Bank, now known as South Valley Bank & Trust, Grantor, conveys and warrants to Ernst Brothers, LLC, Grantee, the following described real property situate in Klamath County, Oregon, free of encumbrances except as specifically set forth herein:

See Exhibit "A" attached hereto and incorporated herein by reference.

SUBJECT TO AND EXCEPTING:

1. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highway.
2. Easement granted to United States of America dated September 15, 1919, recorded November 19, 1919, in Book 50, page 615.
3. Easement granted to Klamath Telephone & Telegraph Co., dated August 24, 1925, recorded March 5, 1926, in Book 69, page 346.
4. Easement granted to John To. Graham, et al., recorded January 4, 1930, recorded January 8, 1930, in Book 88, page 462.
5. Easement granted to Graham, J. T. et al., recorded November 29, 1935, in Book 105, page 415, as amended by instrument recorded February 2, 1940, in Book 127, page 44.

The true and actual consideration for this transfer is \$95,000.00.

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 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.

Dated this 31st day of December, 1997.

South Valley Bank & Trust, formerly
South Valley State Bank

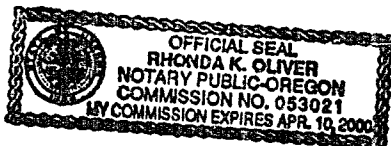
By Vergie Wright Stupack
 Name
 Title Vice President

STATE OF OREGON
 County of Klamath

) ss.

Dec. 31, 1997

Personally appeared Vergie Wright Stupack who, being duly sworn, stated she is Vice President of South Valley Bank & Trust and that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:



Rhonda K. Oliver
 Notary Public for Oregon
 My Commission expires: April 10, 2000

EXHIBIT "A"

PARCEL 1:

A parcel of land situated in Lots 1 and 5, Section 25, Township 37 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at an iron rod monument on the Westerly right of way line of Shady Pine Road (originally The Dalles-California Highway), said point being South 05 degrees 01' 49" West, 1335.29 feet from a brass cap monument at the Northeast corner of said Section 25; thence South 87 degrees 54' 00" West, 374.83 feet to an iron rod monument on the East line of the relocated The Dalles-California Highway No. 97; thence North 02 degrees 06' 00" West, 176.87 feet along said East line to a point, said point being 35 feet distant Easterly from, when measured at right angles to the centerline of said Highway at Station 328+73.4; thence North 87 degrees 54' 00" East, 15.00 feet; thence North 02 degrees 06' 00" West, parallel with and 50 feet distant from the centerline of said relocated highway, a distance of 50.95 feet to the Southwest corner of that property described in Volume M-82 at Page 7839, Deed Records of Klamath County, Oregon; thence North 68 degrees 37' 20" East, along the South line of that property described in said Volume M-82 at Page 7839, a distance of 223.35 feet, more or less, to the Westerly right of way line of said Shady Pine Road; thence Southeasterly along said Westerly right of way to the point of beginning.

Continued on next page

EXHIBIT "A" CONTINUED

PARCEL 2:

A piece or parcel of land situated in the NE 1/4 of Section 25, Township 37 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and being more particularly described as follows:

Beginning at an iron pipe on the Easterly right of way line of State Highway No. U.S. 97, as the same is presently located and constructed on the ground; from which the monument marking the meander corner common to Section 25, Township 37 South, Range 8 East of the Willamette Meridian and Section 30, Township 37 South, Range 9 East of the Willamette Meridian bears South 51 degrees 02-3/4' East 628.9 feet distant (said point of beginning being also 50.0 feet distant from when measured at right angles to, Station 329/24.3 of the centerline of said Highway No. 97); thence North 69 degrees 12-1/3' East 230.0 feet, more or less, to the Westerly right of way of the County Road (Old Highway No. 97), which point is 30.0 feet from, when measured at right angles to, the centerline of said County Road, and from which point an iron pipe reference monument bears North 69 degrees 12-1/3' East 10.0 feet distant; thence following the said Westerly right of way line of said County Road in a Northerly and Westerly direction to its intersection with the Easterly right of way line of said State Highway No. U.S. 97; thence Southerly and Easterly along the said Easterly right of way line of said State Highway to the point of beginning. The basis of bearings for the above description being South 1 degree 31' East for the centerline of the said State Highway from the said Station 329/24.3 Southerly.

EXCEPTING THEREFROM any portion lying within the State Highway right of way.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 31st day
of December A.D., 19 97 at 3:58 o'clock P M., and duly recorded in Vol. M97
of Deeds on Page 42707.

Bernetha G. Letsch, County Clerk

By [Signature]

FEE \$40.00