



WARRANTY DEED

ASPEN TITLE & ESCROW INC.
 ESCROW NUMBER 02047486
 AFTER RECORDING RETURN TO:
 KAREN WATSON

P.O. Box 183
Levensworth, Ore. 97130

UNTIL A CHANGE IS REQUESTED ALL TAX
 STATEMENTS TO THE FOLLOWING ADDRESS:
 SAME AS ABOVE

LONGHORN RESTAURANT AND SALOON, INC., hereinafter called
 GRANTOR(S), convey(s) and warrants to KAREN WATSON,
 hereinafter called GRANTEE(S), all that real property situated
 in the County of KLAMATH, State of Oregon, described as:

See Attached Exhibit "B"

"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 30.390."

and covenant(s) that grantor is the owner of the above described
 property free of all encumbrances except covenants, conditions,
 restrictions, reservations, rights, rights of way and easements
 of record, if any, and apparent upon the land, contracts and/or
 liens for irrigation and/or drainage AND: 1) Trust Deed,
 including the terms and conditions thereof, recorded January
 22, 1990, in Book M-90, Page 1505, Mortgage Records of Klamath
 County, Oregon, in favor of Lawless Roofing Inc., an Oregon
 corporation as to an undivided 27% interest and Lawless Roofing
 Inc., Defined Benefit Plan and Trust, as to an undivided 73%
 interest, assigned by instruments the last of which was recorded
 May 28, 1993 in Book M-93 at Page 12358, Extended by instrument
 recorded May 30, 1995 in Book M-95 at Page 14258 Mortgage
 Records, Klamath County, Oregon, which Trust Deed the Grantees
 herein DO NOT agree to assume and pay and Grantors hereby hold
 Grantees harmless therefrom, and Grantors herein warrant that
 this Trust Deed will be paid in full prior to or at the time of
 payment in full of the Trust Deed between Grantor and Grantee
 herein which is being recorded immediately subsequent to the
 recording of this Deed.

2) Contract including the terms and provisions thereof, a
 memorandum of which was recorded June 14, 1989 in Book M-89 at
 Page 10575 assigned by instrument recorded July 8, 1991, in
 Book M-91 at Page 12958, assigned by instrument Recorded August
 6, 1992 in Book M-92 at Page 17497 and subsequently assigned by
 instrument recorded January 31, 1995 in Book M-95 at Page 2226.

3) Trust Deed recorded January 31, 1995 in Book M-95 at Page
 2230

4) Federal Tax Liens recorded March 27, 1996 in Book M-96 at
 Page 8417, page 8418, and recorded April 23, 1996 in Book
 M-96 at Page 11223.

will warrant and defend the same against all persons who may
 lawfully claim the same, except as shown above.

The true and actual consideration for this transfer is
 \$100,000.00.

In construing this deed and where the context so requires, the

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12708

IN WITNESS WHEREOF, the grantor has executed this instrument
this 16th day of April, 1998.

LONGHORN RESTAURANT AND SALOON INC.
an Oregon corporation

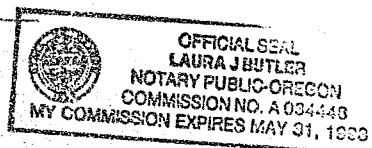
Stanley Peterson
Title: Pres

Janet Peterson
Title: Sec. Treas

STATE OF OREGON, County of Klamath)ss.

On April 16th 1998, personally appeared Stanley Peterson and
Janet Peterson as President and Sec. - Treas. of
Longhorn Restaurant and Saloon Inc., an Oregon corporation on
behalf of the corporation.

[Signature]
Notary Public for Oregon
My Commission Expires: 5/31/1998



PARCEL 1:

The West 25 feet of the following described property in the County of Klamath, State of Oregon.

Commencing at the Southeast corner of Block 12, FIRST ADDITION TO THE TOWN OF BONANZA and running thence West along the South line of said Block, a distance of 75 feet; thence North a distance of 48' 3 1/2" more or less to the Southwest corner of parcel conveyed to Bray in Book 163 at Page 253, Deed Records; thence East along the South line of said Bray Parcel to the Southeasterly line of said Block 12; thence Southwesterly a distance of 58' 6 1/4" more or less to the point of beginning.

PARCEL 2:

That part of Block 12, FIRST ADDITION TO BONANZA, in the County of Klamath, State of Oregon, described as follows:

Commencing at a point in the Southeasterly line of Block 12 of First Addition to Bonanza, which point is in the intersection of the Southeasterly line of said Block 12 with the centerline of the Southerly wall of the building located on the premises herein described and which said point is North 33 3/4" East 58 feet 6 1/2" inches, more or less, from the Southeast corner of said Block 12; thence continuing North 33 3/4" East along the said Southeasterly line of said Block 12, 31 feet 6 1/4 inches, more or less, to the North line of said building, and being the East and West centerline of said Block 12; thence Westerly parallel with the South line of said Block a distance of 124.74 feet; thence South 26 feet 4 1/2 inches; thence East to the place of beginning.

PARCEL 3:

Beginning at the Northeast corner of Block 12 of the FIRST ADDITION TO THE TOWN OF BONANZA, OREGON; thence West 170 feet, thence Southerly 75 feet; thence Easterly 120 feet; thence Northeasterly 90 feet to beginning, being the N 1/2 of Block 12, LESS the Westerly 80 feet described in Book 33 at Page 316, Deed Records, LESS description in Book 42 at Page 539, Deed Records, in the County of Klamath, State of Oregon.

PARCEL 4:

Commencing at the Southeast corner of Block 12, FIRST ADDITION TO TOWN OF BONANZA and running thence West along the South line of said block a distance of 75 feet; thence North a distance of 48' 3 1/2" more or less to the Southwest corner of parcel conveyed to Bray in Book 163 at Page 253, Deed Records; thence East along the South line of said Bray parcel to the Southeasterly line of said Block 12; thence Southwesterly a distance of 58' 6 1/4" more or less to the point of beginning.

EXCEPTING THEREFROM the West 25 feet of the hereinabove described property measured parallel to the Westerly boundary.

CODE 11 MAP 3911-10CA TL 5500

CODE 11 map 3911-10CA tl 5600

CODE 11 MAP 3911-10CA TL 5800

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 16th day
of April A.D., 19 98 at 3:35 o'clock P. M., and duly recorded in Vol. M98
of Deeds on Page 12707

FEE \$45.00

Bernetha G. Letsch, County Clerk
By Kathleen Ross