

EAST CASCADE PROPERTIES, INC., an Oregon Corporation,
Grantor(s) hereby grant, bargain, sell, warrant and convey to:
DUANE W. SMITH and KAREN S. SMITH, as tenants by the entirety,
Grantee(s) and grantee's heirs, successors and assigns the following described
real property, free of encumbrances except as specifically set forth herein in
the County of KLAMATH and State of Oregon, to wit:

SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

SUBJECT TO: all those items of record and those apparent upon the land, if
any, as of the date of this deed and those shown below, if any:

SUBJECT TO: Trust Deed dated August 4, 1997, in Volume M97, page 25353,
Microfilm Records of Klamath County, Oregon in favor of Evergreen Federal
Savings and Loan Association, as Beneficiary; Trust Deed dated August 4,
1997 in Volume M97, page 25345, Microfilm Records of Klamath County,
Oregon in favor of Evergreen Federal Savings and Loan Association, as
Beneficiary; Trust Deed recorded on October 24, 1997 in Volume M97, page
35059, Microfilm Records of Klamath County, Oregon in favor of Evergreen
Federal Savings and Loan Association, as Beneficiary; and Trust Deed
recorded October 24, 1997 in Volume M97, page 35063, Microfilm Records of
Klamath County, Oregon in favor of Evergreen Federal Savings and Loan
Association, as Beneficiary. The above named Grantees hereby agree to
assume and pay all of the above described Trust Deeds.

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and the 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.

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.

The true and actual consideration for this conveyance is \$ 350,000.00.

Until a change is requested, all tax statements shall be sent to Grantee at the
following address: P.O. Box 214, Klamath Falls, OR 97601

Dated this 10th day of July, 1998.

EAST CASCADE PROPERTIES, INC., an Oregon corporation

BY: Duane W. Smith PRESIDENT
DUANE W. SMITH

BY: Jack K. Jantzer VICE PRESIDENT
JACK K. JANTZER

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on July, 1998

by DUANE W. SMITH and JACK K. JANTZER

as PRESIDENT & VICE PRESIDENT

of EAST CASCADE PROPERTIES, INC., an Oregon corporation

Kristi L. Redd

Notary Public of Oregon

My commission expires 11/16/99



ESCROW NO. MT44962-KR

Return to:
DUANE W. SMITH
P.O. Box 214
Klamath Falls, OR 97601

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 2 of Land Partition 16-96, being a portion of Parcel 2 of Land Partition 44-94 situated in the SW1/4 SW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 2 of Land Partition 17-96 being a portion of Parcel 3 of Land Partition 44-94 situated in the SW1/4 SW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 1 of Land Partition 16-96, being Parcel 2 of Land Partition 44-94 situated in the SW1/4 of the SW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 1 of Land Partition 17-96, being Parcel 3 of Land Partition 44-94, situated in the SW1/4 SW1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 13th day
of July A.D., 19 98 at 11:48 o'clock A M., and duly recorded in Vol. M98
of Deeds on Page 24937.

Bernetha G. Letsch, County Clerk

By Dorlene Mullendore

FEE \$35.00