

STATUTORY SPECIAL WARRANTY DEED

WALTER SMITH, JR., and DOROTHY SMITH, individually and as Trustees of the SMITH TRUST DATED FEBRUARY 7, 1991, Grantor, conveys and specially warrants to BRETT E. SMITH and MARY ANNE SMITH, husband and wife, Grantee, the following described real property, free of encumbrances created or suffered by the grantor except as specifically set forth herein:

As described in Exhibit "A" attached hereto.

SUBJECT TO AND EXCEPTING:

Contracts and/or liens for irrigation and/or drainage, and subject to reservations and restrictions of record and easements and rights of way of record and those apparent on the land. Also subject to farm use taxation and the increase in taxation if the use of the land is changed, which said taxes, if any, including prior deferred taxes plus interest, the Grantee hereby assumes and agrees to pay.

The true and actual consideration for this conveyance is \$114,746.00. This deed is made upon the completion of payments according to the terms of that contract of sale between the parties, as evidenced by that certain Notice recorded at M81, Page 21864, Klamath County Records.

It is recognized that such option to purchase the property held by Grantor and mentioned in said Notice herein is in force and effect; HOWEVER, if such option to purchase the real estate is not exercised on or before November 1, 2000, then such option to purchase shall expire by its terms and at that time shall be of no further force or effect.

Until a change is requested, all tax statements are to be sent to the following address: NO CHANGE.

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 9 day of December, 1999.

X Walter Smith
Dorothy M. Smith

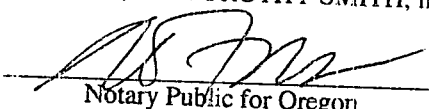
Walter Smith
12100 W. 6th St. ULYSS
BONANZA, OR. 97623

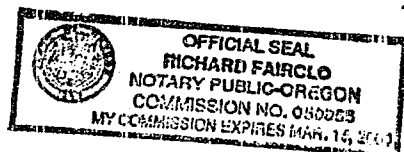
STATE OF OREGON

County of Klamath

ss.

The foregoing instrument was acknowledged before me this 2 day of December, 1999 by WALTER SMITH, JR., and DOROTHY SMITH, individually and as trustee.


Notary Public for Oregon
My Commission expires:



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of _____ A.D., 1999 at _____ o'clock _____ M., and duly
recorded in Vol. _____ of _____ on Page _____.

FEE \$ _____

County Clerk

By _____

Exhibit 'A'

The following-described real property situate in Klamath County, Oregon:

Parcel I: All that portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, and of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 14, and of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, all in Township 40 S., Range 13 E., W.M., lying Westerly of the Easterly line of the Drain Ditch, said Easterly line of the Drain Ditch being more particularly described as follows:

Beginning at an iron pin at the intersection of the North boundary of the County Road and the Easterly boundary of the Drain Ditch, said point being East a distance of 2418.05 feet and S. 38°50' East a distance of 1712.4 feet from the iron pin marking the North $\frac{1}{4}$ corner of said Section 15; thence North 38°50' West a distance of 2351.2 feet; thence North 13°20' West a distance of 836.5 feet to the east-west fence line accepted as the North boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 10, all in Township 40 S., R. 13 E., W.M.

Parcel II: All that portion of the S $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, and that portion of SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15 lying Easterly of the Easterly line of the Langell Valley High Line Ditch, and the S $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, all in Township 40 S., Range 13 E., W.M.

Parcel III: That portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 10, and that portion of the N $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 15, lying East of the West Canal of Langell Valley Irrigation District, all in Township 40 South, Range 13 East of the Willamette Meridian.

State of Oregon, County of Klamath
Recorded 12/14/99, at 2:27 p.m.
In Vol. M99 Page 49172
Linda Smith,
County Clerk Fees \$40⁰⁰