LOREN LOVENESS and ELSIE LOVENESS,

Grantor(s) hereby grant, bargain, sell, warrant and convey to:

R. KEITH SMITH and DEBORAH ANN 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

ACCT# 3910-1400-902

KEY# 874472

ACCT# 3910-1300-500

KEY# 588439

ACCT# 3910-1300-500

KEY# 580516

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: 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

330,000.00.

Until a change is requested, all tax statements shall be sent to Grantee at the following address: 15600 SOUTH POR VALLEY ROLD, KLAMATH FALLS, OR 97603 97601 212 N. 2nd Street

Dated this

//

day of

,2000

OREN ZOZENESS

ELSIE LOVENESS

State of Oregon County of KLAMATH

This instrument was acknowledged before me on LOVENES AND ELSIE LOVENESS.

yay 1,90

OFFICIAL SEAL

KRISTI L REDD

NOTARY PUBLIC- OREGON
COMMISSION NO. 327508
MY COMMISSION EXPIRES NOV 16, 2003

(Novary Public for Oregon)

commission expires

11/16/3003

ESCROW NO. MT50497-KR

Return to:

R. KEITH SMITH

=13600=SOUTH POR WALLEY ROAD 212 N. 2nd St.

KLAMATH FALLS, OR -97603 - 97601

J6.00

EXHIBIT "A" LEGAL DESCRIPTION

Parcel 1 of Land Partition 56-93 being a portion of Parcel 2 of "Land Partition 47-91", situated in the W1/2 SW1/4 of Section 13, and the S1/2 of Section 14 all in Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

SUBJECT TO a reservoir easement as follows:

Situated in Parcel 1 of Land Partition 56-93, being in the NW1/4 of the SE1/4 of Section 14, Township 39 South Range 10 East of the Willamette Meridian, Klamath County, Oregon more particularly described as follows:

Beginning at a point on the Southerly right of way line of South Poe Valley Road and the West line of said Parcel 1, from which the Northwesterly corner of said Parcel 1 bears North 00 degrees 05' 52" East 34.77 feet; thence along the said right of way line North 59 degrees 43' 32" East 17.58 feet along the arc of a curve to the right (radius equals 6970.00 feet and central angle equals 01 degrees 48' 43") 220.41 feet; thence South 00 degrees 05' 52" West 210.22 feet; thence South 60 degrees 33' 52" West 237.98 feet; thence North 00 degrees 05' 52" East 210.22 feet.

TOGETHER WITH an equestrian easement as follows:

Situated in Parcel 2 of Land Partition 56-93, being in the SW1/4 of Section 14, Township 39 South Range 10 East of the Willamette Meridian, Klamath County, Oregon more particularly described as follows:

A 30 foot wide strip of land lying Northerly of the following described line; beginning at the Southeast corner of said Parcel 2; thence North 89 degrees 02' 24" West 1061.11 feet to the E1/16 corner common to Section 23 and said Section 14; thence continuing North 89 degrees 02' 24" West 30.00 feet.

State of Oregon, County of Klamath Recorded 05/02/00, at //:38 &. m. In Vol. M00 Page 15 6 45 Linda Smith, County Clerk Fee\$ 26°