

NADINE F. GALLAGHER,

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

KERRY S. PENN,

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:

Lot 15 in Block 1 of WHISKEY CREEK ACRES - TRACT 1162, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

KEY #357232

MAP #3612-02000-00400

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:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

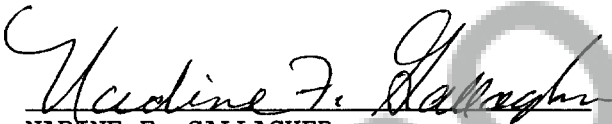
and the grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

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 14,000.00.

Until a change is requested, all tax statements shall be sent to Grantee at the following address: 12712 RIVER HILLS DRIVE, BELLA VISTA, CA 96008

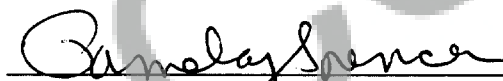
Dated this 14th day of July, 2000.


NADINE F. GALLAGHER

State of Oregon
County of KLAMATH



This instrument was acknowledged before me on July 14, 2000 by
NADINE F. GALLAGHER.


(Notary Public for Oregon)

My commission expires 8/16/2000

ESCROW NO. MT51558-PS

Return to:

KERRY S. PENN
12712 RIVER HILLS DRIVE
BELLA VISTA, CA 96008

EXHIBIT "A"**SUBJECT TO:**

MORTGAGE in favor of United States of America, acting through the Farmers Home Administration recorded in Volume M77, page 22267, Microfilm Records of Klamath County, Oregon, which buyer herein does not agree to assume and pay.

Restructuring, Reamortization or Extension Agreement
recorded in Volume M93, page 29564, Microfilm Records
of Klamath County, Oregon.

MORTGAGE in favor of United States of America, acting through the Farmers Home Administration recorded in Volume M85, page 10348, and re-recorded in Volume M85, page 18123, Microfilm Records of Klamath County, Oregon, which buyer herein does not agree to assume and pay.

Restructuring, Reamortization or Extension Agreement
recorded in Volume M93, page 29564, Microfilm Records
of Klamath County, Oregon.

FINANCING STATEMENT recorded in Volume M85, page 10354 and re-recorded in Volume M85, page 18128, Microfilm Records of Klamath County, Oregon, which buyer herein does not agree to assume and pay.

State of Oregon, County of Klamath
Recorded 07/17/00, at 11:30 A.m.
In Vol. M00 Page 25930
Linda Smith,
County Clerk Fee \$ 26.00