

WARRANTY DEED

LARRY C. HEATON and PAMALA A. HEATON, hereinafter referred to as "Grantors", convey and warrant unto LARRY CHARLES HEATON and PAMALA ANN HEATON, as Trustees of the LARRY AND PAMALA HEATON TRUST dated June 22, 2000, hereinafter referred to as "Grantees", all of their interest in that real property situated in Klamath County, State of Oregon and described as:

**SEE "EXHIBIT A" ATTACHED HERETO AND
INCORPORATED HEREIN BY REFERENCE**

The liability and obligations of the Grantors to Grantees and Grantees' heirs and assigns under the warranties and covenants contained herein or provided by law shall be limited to the amount, nature, and terms of any right or indemnification available to Grantors under any title insurance policy, and Grantors shall have no liability or obligation except to the extent that reimbursement for such liability or obligation is available to Grantors under any such title insurance policy.

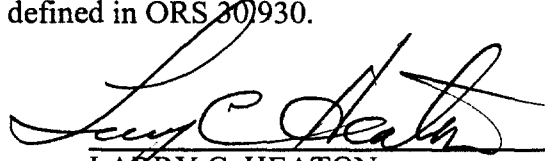
Grantors hereby covenants that Grantors are the owners of the above-described property free of all encumbrances except:

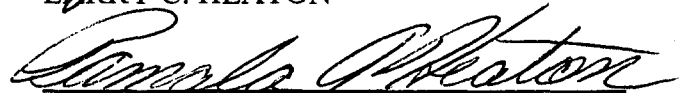
any liens and encumbrances of record.

There is no monetary consideration for this transfer as it is for estate purposes only.

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 the 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: 6/22/00


LARRY C. HEATON


PAMALA A. HEATON

Mail Tax Statements to: No change.

After recording return to:

David L. Smith
515 East Main St.
Ashland, OR 97520

ACKNOWLEDGMENT

STATE OF OREGON)
) ss.
County of Jackson)

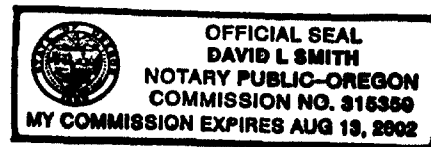
On June 22, 2000, LARRY C. HEATON and PAMALA A. HEATON personally appeared and acknowledged the foregoing instrument to be their voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Notary Public for Oregon

My Commission Expires: 8/13/2002



"EXHIBIT A"

In Township 37 South, Range 9 East of the Willamette Meridian:

Section 28: That part of the SW¼ that lies West of Old Fort Road, and that part of the SW¼ NW¼ that lies West of Old Fort Road.

Section 29: That part of the SE¼ that lies East of that certain 60 foot road easement described in Deed Volume m-73 on page 1673, and that part of the S½ of the N½ that lies East of said easement.

TOGETHER HEREWITH, a 1/4 interest in irrigation pump, well, reservoir and ditches.

END OF DOCUMENT

State of Oregon, County of Klamath
Recorded 11/14/00, at 4:30 a. m.
In Vol. M00 Page 41148
Linda Smith,
County Clerk Fee\$ 3.00
5.00 apa